Debt Management Report

2003-2004

Canada

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Debt Management Report

2003-2004

Department of Finance Canada
Ministère des Finances Canada

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Foreword by the Minister of Finance

I am pleased to table before Parliament the Government of Canada's *Debt Management Report* for fiscal year 2003–04. It provides accountability by outlining in detail the financial management of Canada's debt.

Canadians today are reaping the rewards of sustained fiscal responsibility. The previous "vicious cycle" of annual deficits, rising debt, higher interest rates and high taxes has been replaced by a "virtuous circle" of seven consecutive budget surpluses, a declining debt burden, rising consumer and business confidence, the largest tax reductions in Canadian history, low interest rates and consistently strong economic performance. This has enabled us to reduce the federal debt by more than $61 billion since we balanced the budget in 1997–98, while maintaining the resources needed to deal with recent security threats, health emergencies like severe acute respiratory syndrome (SARS) and the impact of bovine spongiform encephalopathy (BSE). This fiscal responsibility also enabled the Government to provide $36.8 billion in funding over five years under the 2003 First Ministers' Accord on Health Care Renewal—funding that will be key to ensuring timely access to quality health services for all Canadians.

Such prudence with a purpose means our debt-to-GDP (gross domestic product) ratio today stands at 41.1 per cent, its lowest level since 1983–84. In the process we have freed up $3 billion in reduced interest charges every year that can now be invested in national priorities. As I indicated in the 2004 budget, we will maintain this responsible, prudent approach with a goal of reducing Canada's debt-to-GDP ratio to 25 per cent within 10 years.

This year's *Debt Management Report* highlights ongoing efforts to improve the management of our debt. Examples over the past year include:

- Reducing debt costs by beginning to gradually lower the fixed-rate debt component from two-thirds to 60 per cent.
- Maintaining an efficient, well-functioning market for Government of Canada securities through such measures as a bond buyback program.
- Encouraging a broad group of market investors in Government of Canada securities.
- Continually ensuring the federal debt program is well managed.

By never wavering from the "bottom line" of balanced budgets, the hard-earned rewards of fiscal responsibility will continue to ensure a prosperous future for our country.

The Honourable Ralph Goodale, P.C., M.P.
Minister of Finance
Ottawa, December 2004

Purpose of This Publication

The *Debt Management Report* provides a detailed account of the Government of Canada's borrowing, cash and foreign exchange reserves management operations over the fiscal year from April 1, 2003 to March 31, 2004.

It provides a comprehensive report on the environment in which the debt is managed, its composition and changes during the year, and strategic plans set out in the 2003–04 *Debt Management Strategy*, published in March 2003. A set of reference tables containing statistics on the operation of debt programs is also provided.

The information contained in this report is designed for a range of interested parties to ensure transparency and public accountability in the Government's borrowing and cash management activities. The *Debt Management Strategy* and the *Debt Management Report* are tabled annually in Parliament and are available on the Department of Finance Web site at www.fin.gc.ca.

Federal Debt Management

Strategic management of the federal debt focuses on two key elements: market debt, and liquid financial assets of the Government of Canada. As of March 31, 2004, the Government had $440.2 billion of market debt composed of marketable bonds, Treasury bills, retail debt, foreign currency debt, Canada Pension Plan (CPP) bonds and obligations related to capital leases, and $61.7 billion of liquid financial assets composed of domestic cash balances and foreign exchange assets.

	(C$ billions)
Market Debt	
Payable in Canadian currency	
Marketable bonds (fixed-rate bonds with 2-, 5-, 10- and 30-year maturities and real return bonds with 30-year maturities)	278.8
Treasury bills (zero-coupon securities with 3-, 6- and 12-month maturities)	113.4
Retail debt (Canada Savings Bonds and Canada Premium Bonds)	21.3
CPP bonds	3.4
Obligations related to capital leases	2.8
Payable in foreign currency	
Marketable bonds and foreign currency notes (fixed-rate bonds, Canada notes and Euro Medium-Term Notes)	17.1
Canada bills (zero-coupon securities with 1- to 9-month maturities)	3.4
Liquid Financial Assets	
Cash	20.5
Foreign exchange reserves	41.2

This document is structured as follows:

- Part I describes the fiscal environment in which the debt is managed and the composition of market debt, which the Government strategically manages.
- Part II reports on the 2003–04 debt strategy by major theme: risk/cost, liquidity, participation and governance.
- Part III provides details on activity in the individual domestic and foreign debt programs during 2003–04.
- Annexes explain the composition of the federal debt and the Government's framework for managing financial risk.
- Reference tables provide historical information on the funding activities of the Government.

Overview

In 2003–04 the Government continued to reduce its level of indebtedness. On a full accrual basis of accounting the federal debt was reduced to $501.5 billion, down $61.4 billion from its peak in 1996–97. The 2003–04 budgetary surplus of $9.1 billion was used primarily to increase financial assets, which rose by $9.5 billion. Market debt declined by $2.2 billion while obligations to pensions and other accounts increased by $2.6 billion. Both other liabilities and non-financial assets increased by $0.6 billion. Debt-servicing charges were down $1.5 billion from fiscal year 2002–03 as a result of a 20-basis-point reduction in the average interest rate paid on the public debt. Since 1996–97 the cumulative reduction in indebtedness and reduction in the average interest rate have reduced debt charges by $11.5 billion. Lower debt-servicing charges benefit all Canadians.

The advent of a period of federal budgetary surpluses in the second half of the 1990s ushered in a new area in federal debt management—one focused on maintaining a well-functioning market for debt or fixed-income securities in an environment of declining borrowing needs. Over the past several years the primary focus of adjustments to government borrowing programs has been in this domain.

Debt, cash and reserve management actions in 2003–04 included the beginning of the orderly reduction in the fixed-rate share of the debt from a target of two-thirds to 60 per cent by 2007–08, with resulting adjustments to the sizes of the Treasury bill and bond programs. The fixed-rate share fell from 66 per cent to 64 per cent over the course of the year. The stock of Treasury bills increased by $9.0 billion to $113.4 billion, while the stock of bonds declined by $10.9 billion to $258.2 billion. Bond repurchases totalled $10.7 billion.

Operational refinements continued to be made to the debt program to improve its functioning, including moving the time of Treasury bill auctions to the morning (when the market is most active) and reducing the target size for the 10-year benchmark bond to maintain an annual benchmark cycle.

As part of good governance and management, different aspects of the debt program are reviewed periodically. These reviews are conducted internally at the Department of Finance and Bank of Canada or by external specialists. In 2003–04 reviews were undertaken on the governance framework, the retail debt program and the real return bond program.

This report also features indicators that are intended to provide interested parties with an understanding of some of the key measures that debt managers follow with respect to debt management programs and well-functioning securities markets.

Debt Strategy Framework

Purpose

Raise stable, low-cost funding for the Government of Canada.

Principles and Objectives

Well-functioning market

- Emphasize transparency, liquidity and regularity in the design and implementation of domestic debt programs in order to maintain a well-functioning domestic government securities market.
- Work with market participants and regulators to enhance the integrity and attractiveness to investors of the market for Government of Canada securities.

Cost-effectiveness

- Manage the structure of the debt by balancing cost and risk to help protect the Government's fiscal position from unexpected increases in interest rates.
- Minimize the cost of carrying reserves (i.e. the difference between interest paid on foreign currency liabilities and interest earned on reserve assets).

Prudence

- Raise funding for domestic operational needs in Canadian dollars, and immunize currency and interest rate risks arising from the management of the foreign reserves by matching foreign liabilities to reserve assets.
- Manage the Receiver General cash position to ensure that cash balances are maintained at reasonable cost to the Government.
- Control credit risks through diversification.
- Borrow using a variety of instruments, a range of maturities and a diversified investor base.

Consultations

- Seek input from market participants on major adjustments to the federal debt, cash and reserves management programs.

Best practices

- Ensure that the operational framework and practices are in line with the best practices of other comparable sovereign borrowers and the private sector.

Part I: Debt Management Context

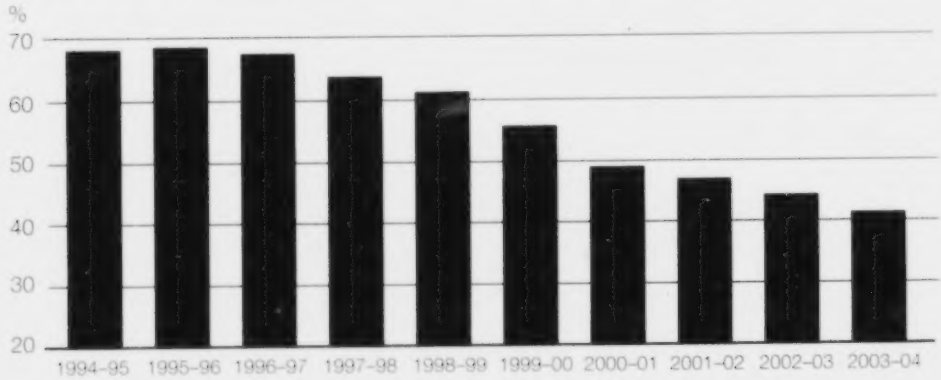
Since the annual debt-servicing cost is the largest single budget expense of the Government, effective management of the federal debt is especially important for all Canadians. This section provides an overview of the Government's fiscal plan and the composition of the debt stock. The Government's fiscal position sets the context within which debt management decisions are taken. One of the key decisions of debt management relates to the composition of the debt stock, which directly affects debt costs.

The Fiscal Plan

Budgetary Outcome

Canada has experienced a remarkable turnaround in its fiscal position in recent years: the Government recorded a budgetary surplus of $9.1 billion in 2003–04, its seventh consecutive budgetary surplus; the federal debt has been reduced by $61.4 billion from its peak in 1996–97; the federal debt-to-GDP ratio has fallen 27.3 percentage points from its peak of 68.4 per cent in 1995–96 to 41.1 per cent in 2003–04, its lowest level since 1983–84 (see Chart 1); and fiscal and monetary policy credibility have contributed to lower interest rates. For detailed information, see the 2003–04 *Annual Financial Report of the Government of Canada* at www.fin.gc.ca/toce/2004/afr_e.html.

Chart 1
Federal Debt–to–GDP Ratio



Source: Department of Finance.

Financial Source/Requirement

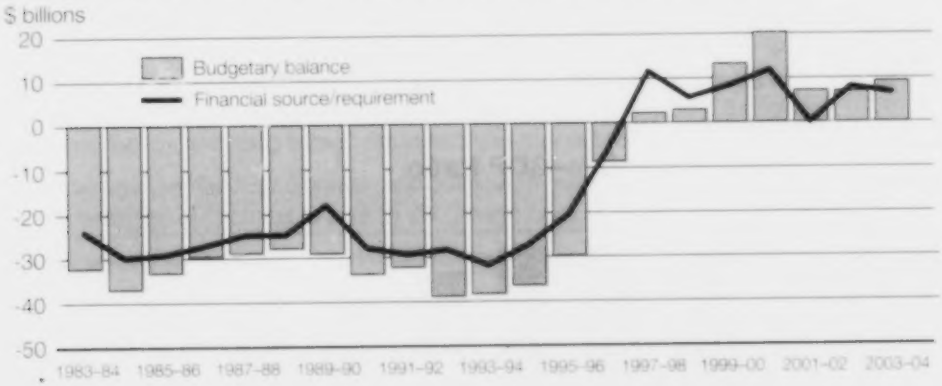
The key budgetary measure for market debt management is the financial source/requirement. While the budgetary balance is presented on a full accrual basis, recognizing revenues and expenses when they are incurred, the financial source/requirement is a cash flow measurement that captures the current- and prior-year budgetary items, as well as the cash implications of non-budgetary transactions. As such, the financial source/requirement determines the changes in the market debt and in the level of financial assets.

The budgetary surplus of $9.1 billion and a net requirement of funds from non-budgetary transactions of $2.8 billion produced a financial source of $6.2 billion in 2003–04. This compares to a financial source of $7.6 billion in 2002–03 and a requirement of $0.3 billion in 2001–02.

The Government has recorded a financial source in six of the past seven years (see Chart 2). The financial source in 2003–04 was used to increase cash balances by $4.1 billion and to reduce market debt by $2.2 billion.

Chart 2

Budgetary Balance and Financial Source/Requirement

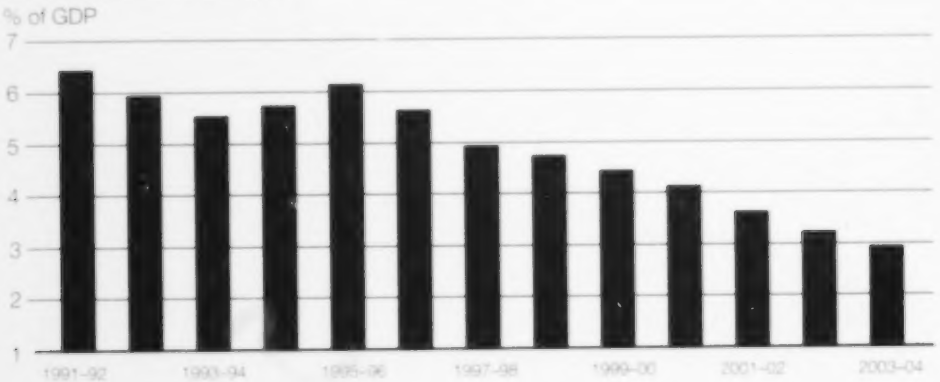


Sources: *Public Accounts of Canada* and Statistics Canada.

Public Debt Costs

In 2003–04 the Government spent 19 cents of every dollar of revenue to pay interest on the public debt, down from a peak of almost 39 cents in 1990–91. Public debt charges as a percentage of GDP declined to 2.9 per cent in 2003–04 from 3.2 per cent in 2002–03 (see Chart 3). In 2003–04 the average interest rate paid on the public debt declined to 5.8 per cent from 6.0 per cent in 2002–03.

Chart 3
Public Debt Charges

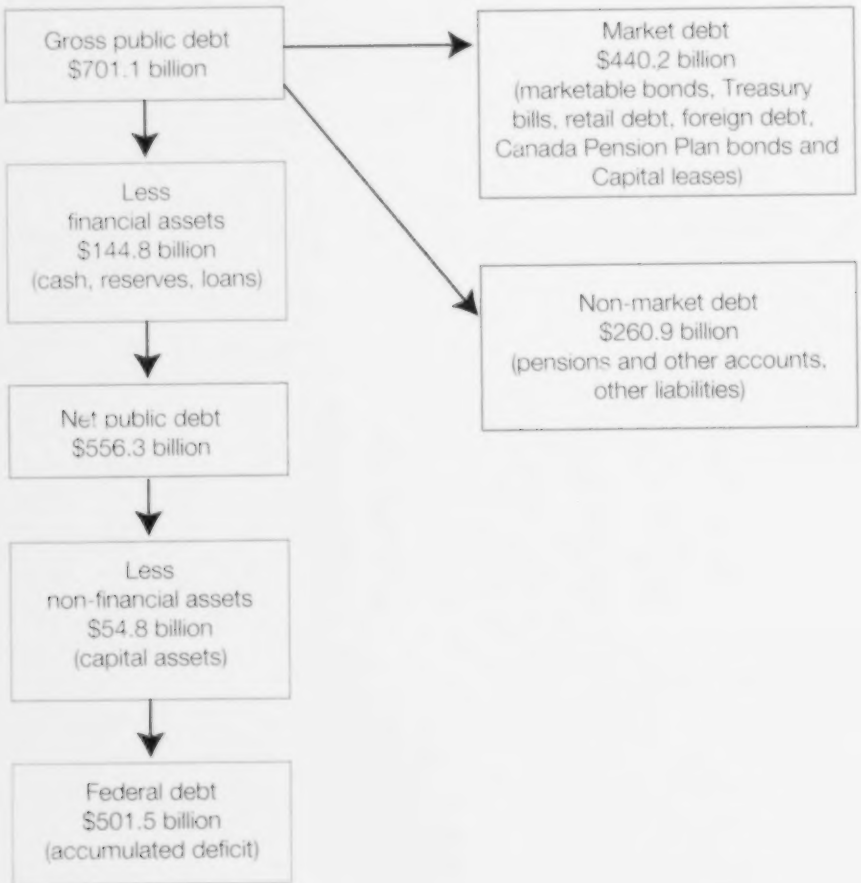


Source: *Public Accounts of Canada*

Composition of the Debt

The Government's gross debt is made up of market debt and non-market debt. Market debt is funded in the capital markets and is strategically managed by the Government. Non-market debt comprises liabilities held by the Government outside capital markets. The chart on the next page illustrates the relationships between the components of government debt, based on the 2003–04 fiscal year. See Annex 1 for a more detailed description of the composition of the federal debt.

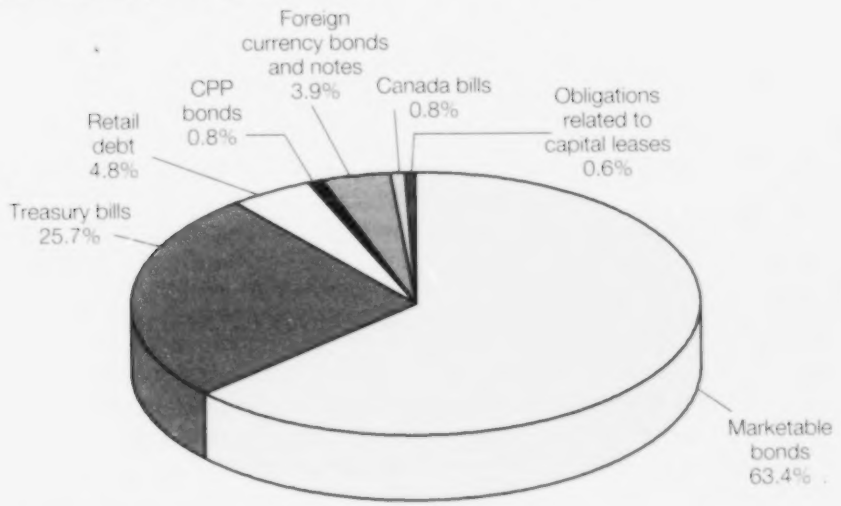
Total Public Debt as at March 31, 2004



Source: *Public Accounts of Canada*.

There are two types of market debt: domestic debt, which is denominated in Canadian dollars, and foreign currency debt (see Chart 4). (See www.fin.gc.ca/invest/instru-e.html for a detailed description of the Government of Canada's market debt instruments.) The Government borrows in Canadian dollars using wholesale and retail funding. Wholesale funding is conducted through issuance of marketable securities, which include nominal bonds, real return bonds and Treasury bills. These securities are sold via auctions to Government of Canada securities distributors and end-investors. (The names of and details on the framework for government securities distributors and primary dealers can be found at www.bankofcanada.ca/en/auct.htm.) Retail funding is raised through sales of Canada Savings Bond products to individuals who are Canadian residents.

Chart 4
Market Debt, March 31, 2004



Sources: *Public Accounts of Canada* and *Annual Financial Review*.

Funds raised in Canadian dollars are used primarily to meet the Government's operational requirements. A small portion of Canadian-dollar wholesale debt is swapped to foreign currencies to fund the Government's foreign exchange reserves. The Government also borrows in foreign currencies for the reserves, which are held in the Exchange Fund Account (EFA). The EFA provides a source of foreign currency liquidity and is used to promote orderly conditions in the foreign exchange market for the Canadian dollar. Details on the operations of the EFA can be found in the 2003 *Report on the Management of Canada's Official International Reserves*, located at www.fin.gc.ca/toce/2004/oir04_e.html.

Table 1 shows the change in the composition of federal market debt in 2003–04 by domestic and foreign debt programs. Further details of the changes in programs and indicators of debt management operations and activities can be found in Part III. Total domestic debt was reduced by $1.7 billion while foreign currency debt declined by $0.6 billion.

Table 1
Change in Composition of Federal Market Debt, 2003–04

	April 1, 2003 Outstanding	March 31, 2004 Outstanding	Change
		($ billions)	
Domestic debt	415.2	413.5	-1.7
Foreign currency debt[1]	21.1	20.5	-0.6
CPP bonds and notes	3.4	3.4	0.0
Obligations related to capital leases	2.7	2.8	0.1
Total market debt	442.4	440.2	-2.2

Note: As at March 31, 2004, the total amount of interest rate ($1.6 billion) and cross-currency ($24.6 billion) swaps outstanding stood at $26.2 billion. Cross-currency swaps convert C$-denominated government debt into foreign currency obligations for the purpose of funding the foreign reserves portfolio.

[1] Liabilities are stated at par value at the March 31 exchange rate.

Source: *Public Accounts of Canada*.

Part II: Report on 2003–2004 Debt Strategy

The federal debt strategy covers the management of federal market debt and operational activities related to it, including the management of Canadian-dollar cash balances and the funding and investment of Canada's foreign exchange reserves. Annual debt strategy planning sets out the objectives for the year in each of these domains and provides for a series of initiatives.

A well-functioning wholesale market in Government of Canada securities benefits the Government as well as a wide range of market participants. For the Government as a debt issuer, a well-functioning market attracts investors and ensures that funding costs are kept low. For market participants, a liquid and active secondary market in government debt provides credit-risk-free assets for investment portfolios, a pricing benchmark for other debt issues and swaps, and a primary tool for hedging risk.

In 2003–04 a large number of initiatives were undertaken to enhance the effectiveness of the Government of Canada's debt management. This document reports on these initiatives organized around four key themes: cost and risk; maintaining a well-functioning government securities market; encouraging participation in the government securities market; and enhancing governance.

Cost and Risk

The Government's objective of maintaining stable, low-cost financing involves managing an exposure to a range of financial risks and managing the balance between lower cost and lower risk. The Government has implemented a comprehensive financial risk management framework related to the debt program in line with the increased attention paid to risk management by financial market participants in recent years. The key risk for the Government relates to changes in interest rates and their effect on domestic borrowing costs (interest rate risk). A lesser risk is the Government's credit exposure to financial institution counterparties with which it transacts (credit risk). There are also exposures to other types of risk, such as operational risks like the August 2003 blackout.

On August 14, 2003, the Bank of Canada took steps to ensure that the Government's cash and debt operations would continue to function throughout the period of the blackout. The Bank conducted several Government of Canada term deposit and debt operations from its backup facility operating on emergency generators. All operations were conducted smoothly from the Bank of Canada's backup facility.

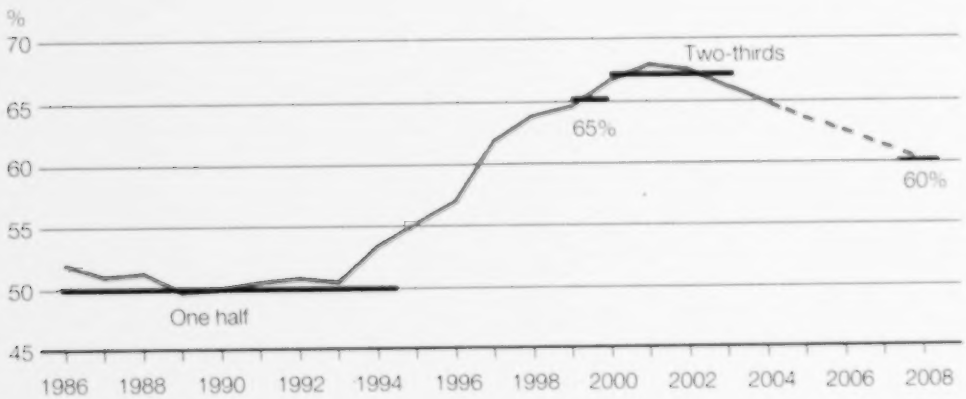
This section provides an overview of the main considerations in balancing interest rate risk and cost. See Annex 2 for information on the management of the credit risk associated with the management of cash balances and international reserves.

Debt Structure

The Government has access to a variety of instruments to fund its debt, with maturities ranging from 3 months to over 30 years. As does any other borrower in the financial markets, the Government generally faces a trade-off between cost and risk when selecting the instruments it issues. Borrowing costs of longer-term instruments tend to be higher, but are fixed for long periods. On the other hand, borrowing costs of shorter-term instruments tend to be lower on average, but more volatile. By choosing the proportion of each instrument it issues, the Government can establish a debt structure that strikes an appropriate balance between keeping costs stable and low.

The main operational target used to manage the debt structure is the fixed-rate share, which measures the proportion of interest-bearing debt having fixed rates—debt that does not mature or need to be repriced within one year—relative to total interest-bearing debt. In the February 2003 budget, the Government announced its intention to reduce the fixed-rate share target from two-thirds to 60 per cent by 2007–08 (see Chart 5).

Chart 5
Target Fixed-Rate Share of the Debt



Source: Department of Finance.

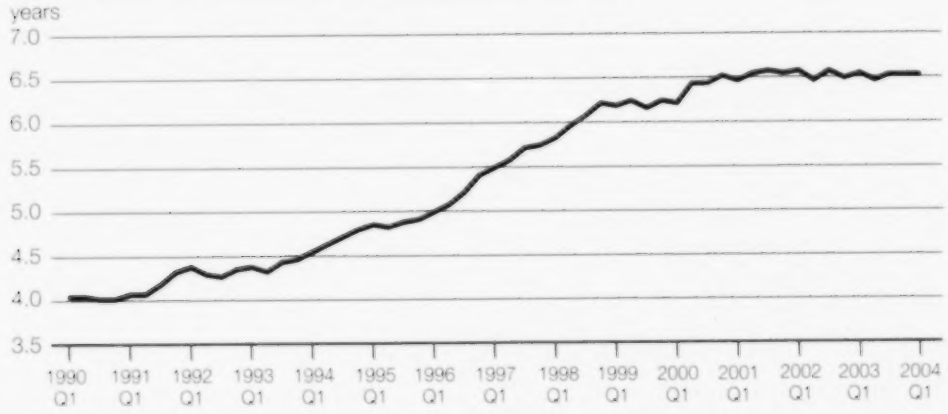
The decision to lower the fixed-rate share is based on positive economic and fiscal developments in Canada in recent years. Financial simulation modelling indicates that a 60-per-cent fixed-rate share would result in lower borrowing costs under a large number of interest rate scenarios without compromising debt cost stability.

In 2003–04 the Government began to reduce the fixed-rate share, with the share declining from 65.8 per cent to 63.8 per cent over the fiscal year. The change in debt structure will continue to be implemented gradually, in an orderly and transparent manner, over the next few years.

As a consequence of the adjustment in the fixed-rate share, the stock of outstanding Treasury bills and cash management bills increased from $104.4 billion to $113.4 billion in 2003–04, while the stock of outstanding bonds declined from $269.1 billion to $258.2 billion, increasing the share of floating-rate debt in the debt structure by 2.0 per cent. See Part III for more details on Treasury bill and bond program changes.

In addition to the fixed-rate share, the Government uses other indicators to track the exposure to risk inherent in the debt stock. The average term to maturity (ATM) represents the average length of time before debt instruments mature and become subject to refinancing risk. The ATM of marketable debt has stabilized at around 6½ years in recent years, having increased from roughly 4 years in 1990 (see Chart 6). A longer ATM means that debt instruments are rolled over less frequently, which implies less uncertainty regarding future debt costs.

Chart 6
Average Term to Maturity of Marketable Debt



Source: Bank of Canada.

Duration, which is often used by other sovereign issuers, is another measure of the average length of time before refinancing risk occurs. Duration considers the time value of all cash flows (coupon payments and principal repayments) through the life of debt instruments. From an issuer's perspective, a longer duration is associated with lower refinancing risk. At the end of March 2004, the Government's marketable debt had a duration of 4.8 years,[1] up from 4.5 years at the end of March 2003.

[1] Duration is calculated according to the modified duration formula, and includes the effect of cross-currency and interest rate swaps.

Maturity Profile

A related strategy to reduce the risk of higher borrowing costs is the maintenance of a stable maturity profile. A well-distributed maturity profile limits the need to refinance a large portion of the debt in any given period when borrowing conditions may be unfavourable.

One instrument used by the Government to help stabilize the maturity profile within the upcoming year is the cash management bond buyback (CMBB) program, introduced in 2001 on a trial basis. Given its success at reducing peaks in bond maturities, the CMBB program was implemented in 2003–04 on an ongoing basis. By reducing the need to accumulate high cash balances leading up to large bond maturities, the CMBB program also smoothes out seasonal fluctuations in Treasury bill issuance (see Part III for activity in 2003–04).

Also to facilitate the management of risk around peaks in maturities, the size of 2-year auctions was reduced in 2003–04 when the bond being issued was fungible (i.e. having the same maturity date) with another large bond issue. These initiatives, in addition to the emphasis on the regularity of its debt operations, have helped the Government to maintain a stable maturity profile and manage cash balances effectively around large maturity dates.

Funding the Foreign Reserves

Foreign currency debt is issued to fund foreign currency assets. In 2003–04 foreign currency funding requirements were lower than in previous years due to the strength of the euro versus the US dollar (foreign currency assets, of which about half are composed of securities denominated in euros, are reported on a market value basis in US dollars). Funding requirements were met entirely through cross-currency swaps, which are particularly cost-effective compared to other funding sources. The Government has in place a collateral management framework to control the credit risk to financial institutions with which it executes swaps (see Annex 2 and the 2002–03 *Debt Management Report* at www.fin.gc.ca/toce/2003/dmr03_e.html). In addition to cross-currency swaps of domestic obligations, the Government has access to a short-term US-dollar paper program, medium-term note issuance in various markets, international bond issues, and purchases of US dollars in foreign exchange markets.

The Government holds foreign exchange reserve assets in the Exchange Fund Account to provide foreign currency liquidity and to provide the funds needed to help promote orderly conditions for the Canadian dollar in the foreign exchange markets. Further details on the management of international reserves are available in the 2003 *Report on the Management of Canada's Official International Reserves* at www.fin.gc.ca/toce/2004/oir04_e.html.

Maintaining a Well-Functioning Market

The Government supports the maintenance of a liquid well-functioning market for its marketable securities in order to help maintain low funding costs. One way the Government achieves this goal is by building large liquid benchmark bonds and Treasury bills in various maturity sectors on a regular, predictable basis. The use of multiple maturities attracts a wide array of investors, while regular and transparent issuance ensures that there is no uncertainty as to the Government's plans. Initiatives outlined in the 2003–04 *Debt Management Strategy* to promote liquidity in the Government of Canada securities market were:

- **Benchmark Target Sizes**: The targeted new benchmark sizes for nominal coupon-bearing bonds were maintained from the previous year, except in the 10-year sector. After consulting with market participants, the Government adjusted the 10-year target benchmark size from $12 billion-$15 billion to $10 billion-$14 billion and to a one-year cycle. The new target size and one-year cycle ensure that 10-year benchmark bonds will continue to be a key instrument for the swap and futures markets. During 2003–04 the June 2013 10-year benchmark ended its benchmark building cycle with an amount outstanding of $12 billion, within the new target benchmark size range.

- **Diversified and Regular Issuance**: The Government continued its practice of issuing and building large liquid benchmarks in a variety of instruments and terms to maturity to target a diverse investor base. These instruments include four bond maturity sectors (quarterly 2-, 5- and 10-year auctions and semi-annual 30-year auctions); three Treasury bill maturity sectors (3-, 6- and 12-month maturities with auctions every two weeks); a long-term inflation-indexed bond (quarterly issuance); and debt issued as part of the retail debt program. Regular issuance helps provide certainty for dealers and investors in their preparations for auctions.

- **Buybacks**: Against the backdrop of debt paydown in recent years, the Government has been using a bond buyback program on both a switch and cash basis to repurchase off-the-run bonds (i.e. securities that are no longer the current market benchmark or the current building benchmark), thereby helping to maintain gross bond issuance at desirable levels and maintain benchmark bond sizes. Unlike buybacks on a cash basis, where bonds offered are exchanged for cash, bonds repurchased on a switch basis are exchanged for the current building benchmark on a duration neutral basis. The 2003–04 *Debt Management Strategy* outlined the Government's buyback target of about $13 billion. During the year the Government issued $10.7 billion in new benchmark bonds through the repurchase of $10.2 billion in off-the-run bonds. Steps were taken to maintain the success of buyback operations, which included increasing the range of maturities in some buyback baskets of eligible bonds.

  The scale of switch buyback operations was increased while buybacks on a cash basis were decreased, as the scope of the switch buyback program began to include more maturity sectors. Switch operations are more attractive for market participants as their market risk is lower than for cash buybacks. In 2003–04 the Government repurchased $5.0 billion in bonds through the switch program (in line with the previous year), and $5.2 billion through the cash buyback program (a decrease of $1.9 billion.)

Participation

Active participation at auction and buyback operations from a diverse group of market participants also helps the Government to achieve its key objective of stable, low-cost funding. Over the past few years initiatives to enhance transparency and the bidding process have been undertaken to broaden participation. Initiatives undertaken in 2003–04 include:

- **Timing of Treasury Bill Auctions**: Beginning June 17, 2003, Treasury bill auctions were moved from 12:30 p.m. to 10:30 a.m., with cash management buyback operations following the auctions at 11:15 a.m. The change was made to coincide with the time of day when the Treasury bill market is most active in order to attract more participants to the auctions. Investors supported the change.

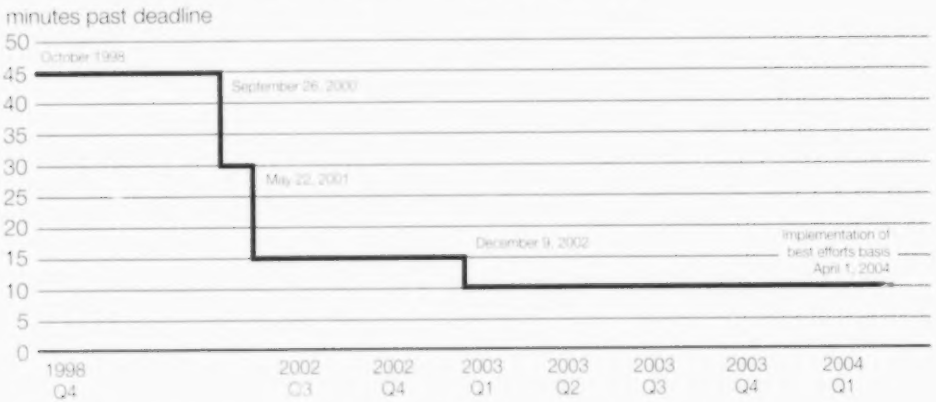
- **Participation at AM Receiver General Auctions**: In 2002–03 the Government introduced a collateralized framework for the AM Receiver General auctions of cash balances to reduce the exposure to counterparty credit risk and encourage more competitive bidding at cash management auctions. In 2003–04 the Government increased the list of financial institutions eligible to participate at AM auctions by 1 to 21; work is ongoing to further increase the number of participants.

- **Turnaround Time**: In order to reduce market risk for participants and enhance the efficiency of its operations, the Government took steps in the fiscal year to streamline these operations to further reduce turnaround times. The Government announced that, starting on April 1, 2004, the turnaround time for auctions and buyback operations would be released on a "best efforts basis" (i.e. when ready rather than waiting to release results at the maximum times of 10 minutes for bills and bonds and 15 minutes for buybacks).

Charts 7 and 8 show the dramatic reduction in turnaround times in recent years, from 45 minutes at the end of 1998 to 10 minutes for Treasury bill and bond auctions and 15 minutes for buyback operations starting in 2002.

Chart 7

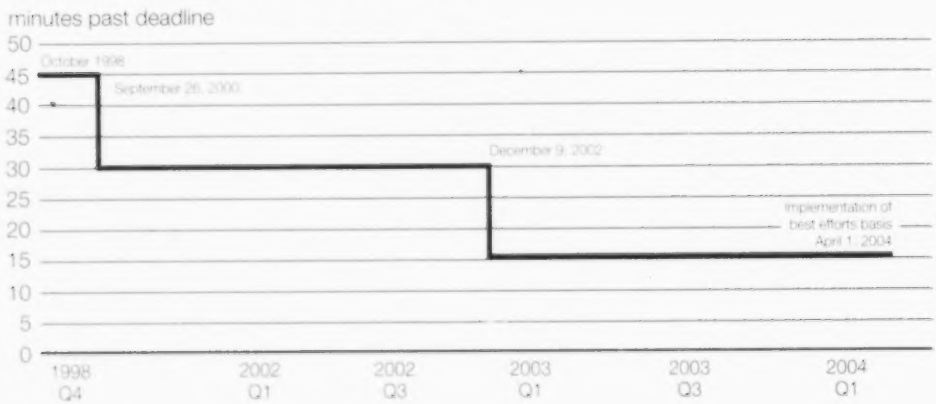
Turnaround Times for the Release of the Results of Treasury Bill and Bond Auctions, 1998–2004



Source: Bank of Canada.

Chart 8

Turnaround Times for the Release of the Results of Buyback Operations, 1998–2004



Source: Bank of Canada.

Governance of Treasury Activities

The Government regularly assesses its treasury management policies and programs as part of good governance and management of the debt program. These reviews are conducted internally at the Department of Finance and Bank of Canada or by external specialists. In 2003–04 the Government conducted four reviews: an internal evaluation of the Government's governance framework for managing treasury activities; an external evaluation of the effectiveness of the governance system over the past five years and design of a modified framework; a review of the retail debt program, which has included an external assessment as well as internal analysis; and an internal review of the real return bond program.

Internal Evaluation of the Governance Framework

In 2003 the Government of Canada reviewed and enhanced the governance framework for its debt management activities, with the result codified in the *Treasury Management Governance Framework* document. The report on governance, *Governance Evaluation: Debt and Reserves Management*, is available at www.fin.gc.ca/activty/goveval-e.html. The new governance framework is designed to enhance the efficiency of debt management policy implementation; ensure accountability through appropriate performance measurement and reporting; clarify and strengthen the framework for risk management monitoring and control; and enhance operational efficiency and effectiveness.

The framework describes the objectives and operating principles that the Government pursues in managing its financial assets and liabilities. These objectives appear in this document as well as the *Report on the Management of Canada's Official International Reserves* and the Canada Investment and Savings annual report. In addition, the framework describes the authorities, roles and responsibilities, coordination and control systems, and performance evaluation systems for managing the Government's treasury activities.

The governance framework outlines the organizational committees established to govern debt management activities. While the ultimate decision-making authority rests with the Minister of Finance, the design of key strategies, policies and operations and the coordination of funding, investing and liquidity management activities are accomplished through several key committees and working groups. A detailed description of the composition of these committees and their roles and responsibilities is contained in the *Treasury Management Governance Framework* document.

External Study of the Governance Framework

A study was commissioned in 2003–04 to evaluate the Government's policies, practices and procedures for managing its debt and reserves, with three objectives: assess how the governance of debt and reserves management has evolved over the past five years; develop a framework for the evaluation of debt and reserves management governance; and test the effectiveness of this framework by using it to evaluate the current governance structure, practices and policies.

The study was delivered in February 2004 and is available at www.fin.gc.ca/treas/goveev/govevrepvol1-e.html. At the end of 2003–04 the Department of Finance was evaluating the study's recommendations; its response can be found at www.fin.gc.ca/treas/goveev/govevres-e.html.

Review of the Retail Debt Program

The delivery of the Government's retail debt program is a collaborative effort between Canada Investment and Savings (a special operating agency of the Department of Finance), the Financial Sector Policy Branch of the Department of Finance and the Bank of Canada.

As part of the Treasury Evaluation Program, the Department of Finance hired Cap Gemini Ernst & Young (CGEY) in September 2003 to assess the retail debt program and to provide advice on strategic options for the future. The CGEY report was delivered in January 2004. This report, along with the departmental response, is available at www.fin.gc.ca/activty/goveval-e.html. At the end of 2003–04 the Department was initiating public opinion research to assess the attitudes of Canadians towards the program and potential changes to it. The Department was also undertaking analysis of expected future costs and benefits of the program under a number of different program designs.

Further information on the retail debt program and a report of 2003–04 activities is available at www.csb.gc.ca.

Review of the Real Return Bond Program

In light of the evolution in the macroeconomic environment and the change in the target debt structure to a lower fixed-rate share, the Government announced in the 2003–04 *Debt Management Strategy* that it would assess the real return bond (RRB) program. Work was conducted within the Department of Finance and the Bank of Canada to evaluate the RRB program relative to its stated objectives and to other borrowing programs. The report, *Real Return Bond Funding Review*, is available at www.bankofcanada.ca/en/notices_fmd/rrb2003.htm.

The review found that the program has generally fulfilled its stated objectives. Global issuance of inflation-indexed securities has increased in recent years and is expected to continue to grow. In the context of the overall debt program, continued RRB issuance levels at around current levels should not be an immediate constraint in maintaining issuance levels of nominal bonds and would have little effect on the move to a lower fixed-rate share.

In the 2004–05 *Debt Management Strategy*, the Government announced that RRBs would remain a part of its debt program, with expected issuance equal to or marginally higher than the $1.4 billion issued in 2003–04.

Debt Strategy Plan and Actions Taken

The following summary chart reports on the 2003–04 debt strategy plan initiatives, their purpose and actions taken. All of the strategic objectives for the management of the Government's debt, cash and reserves were achieved over the course of the year. In addition, complementary initiatives were identified based on consultations with market participants and acted upon.

Debt Strategy Plan and Actions Taken

	Plan (including initiatives identified through mid-year consultations)	Purpose	Actions Taken
Cost and Risk	Gradually reduce the fixed-rate share of debt from a target of two-thirds to a target of 60 per cent over 5 years.	Achieve lower debt charges, while continuing to prudently mitigate the risk to the budget framework.	The fixed-rate share was reduced from 66 per cent to 64 per cent over the 2003–04 fiscal year.
	Implement a gradual reduction to the new fixed-rate target:		
	(a) Increase the size of the Treasury bill program from about $105 billion in 2002–03 to approximately $120 billion in 2003–04.		The stock of Treasury bills outstanding increased by about $9.0 billion to $113.4 billion.
	(b) Issue roughly $40 billion of bonds in 2003–04, similar to the amount in 2002–03.		$39.4 billion of bonds were issued. The stock of outstanding bonds declined by $10.9 billion to $258.2 billion due to maturities and buyback operations.
	Implement the cash management bond buyback (CMBB) program on a regular basis.	Smooth cash requirements by reducing peak cash balances needed to redeem upcoming large maturities.	The CMBB program and the reduction in issuance of 2-year bonds helped to reduce peaks in maturities and maintain a stable maturity profile.
	Reduce the 2-year auction size to a minimum of $2.5 billion when the benchmark is fungible with a large outstanding bond.	Limit the need to refinance a large portion of debt in any given period and maintain a stable maturity profile.	
	Continue to use cross-currency swaps to fund the reserves.	Maintain a low cost of funding for reserve assets.	Three cross-currency swaps were executed in 2003–04, totalling $0.1 billion.

Debt Strategy Plan and Actions Taken *(cont'd)*

	Plan (including initiatives identified through mid-year consultations)	Purpose	Actions Taken
Maintaining a Well-Functioning Market	Maintain current benchmark target sizes for 2-, 5- and 30-year bonds.	Maintain a liquid market for on-the-run issues.	Benchmark bond sizes were maintained.
	Continue regular issues of marketable bonds in four maturity sectors, Treasury bills in three maturity sectors and inflation-linked bonds in wholesale markets.	Provide liquidity across investor segments, instruments and maturities, which contributes to managing both cost and risk.	Issuance schedule and maturities of past years were maintained in Treasury bills, bonds and real return bonds.
	Maintain an annual benchmark cycle.	Support liquidity in the swap and futures market and satisfy international demand.	Target ranges for the new 10-year benchmark bond size were lowered from $12 billion-$15 billion to $10 billion-$14 billion to maintain an annual benchmark.
	Continue a similar level of bond buybacks as in 2002–03 of about $13 billion.	Maintain bond auction sizes and facilitate market adjustment to changes in the bond stock.	Buybacks of 2-, 5-, 10- and 30-year bonds totalled $10.2 billion.
	Modestly increase the amount of buybacks on a switch basis and slightly lower the amount of bonds repurchased on a cash basis.	Support effective operation of the buyback program and total bond issuance.	Bond repurchases through the switch program were in line with the previous year's amount of $5.0 billion, while repurchases through the cash buyback program fell by $1.9 billion to $5.2 billion.

Debt Strategy Plan and Actions Taken *(cont'd)*

	Plan (including initiatives identified through mid-year consultations)	Purpose	Actions Taken
Participation	Continue to borrow on a pre-announced basis, seek input from market participants on major adjustments to programs, and provide timely notices of government policy decisions.	Maintain transparency and efficiency to encourage participation.	The Government's policy of transparency in debt management activities was maintained with market participants.
	Move Treasury bill auctions from 12:30 p.m. to 10:30 a.m. on a trial basis. Schedule CMBB operations after Treasury bill auctions.	Enhance bidding and participation.	Beginning June 17, 2003, Treasury bill auctions were moved to 10:30 a.m. and CMBB operations were moved to follow Treasury bill auctions at 11:15 a.m.
	Broaden the list of participants in collateralized Receiver General cash management operations.	Reduce exposure to counterparty credit risk and encourage more competitive bidding at cash management auctions.	The number of participants increased by 1 to 21 financial institutions. Work is ongoing to increase further the number of participants.
	Consider further reductions in turnaround times for the publication of the results of operations.	Reduce market participants' risk.	Following internal work, it was announced in 2003–04 that as of April 1, 2004, turnaround time for auctions and buybacks would be changed to a best efforts basis (i.e. when ready).

Debt Strategy Plan and Actions Taken *(cont'd)*

	Plan (including initiatives identified through mid-year consultations)	Purpose	Actions Taken
Governance of Treasury Activities	Review the governance framework for funds management.	Streamline decision-making processes, and ensure effectiveness and accountability.	Two reviews were undertaken: Internal Review: The framework was revised to clarify roles and responsibilities and report on performance. External Review: A study has been made available to the public on the Department's Web site and recommendations are being acted upon.
	Review the retail debt program.	Assess the performance of the retail debt program and strategic options going forward.	An external review was completed in January 2004; the full report, including supporting documentation, has been made available to the public on the Department's Web site. An internal review of recommendations is continuing.
	Review the real return bond (RRB) program.	Assess effectiveness and fit in the bond program.	The program was reviewed and the report is available to the public on the Department's Web site. The decision to maintain the RRB program was announced during 2003–04.

Part III: Programs and Indicators

Part III of this report is divided into three main sections: the outcome of operations and activity with respect to the domestic debt programs; indicators of cash management performance; and measures of reserves funding and investment. It also provides information on the Government's investor base and reports on external evaluations of the debt program.

The indicators are intended to provide information on the key measures used by government debt managers. As outcomes in virtually all cases are the product of many factors, the measures do not reflect the impact of specific government debt management policies. However, they serve as useful guideposts in helping to understand the results and context of the Government's debt management initiatives.

Domestic Debt Programs

There are a number of measures of outcomes in the area of domestic debt management. They can be divided into two groups: those associated with the debt issuance process (the primary market) and those dealing with post-issuance trade (the secondary market).

Measures of a well-functioning securities market include the degree to which auctions in the primary market are well bid and the level of liquidity and trading in the secondary market. In 2003–04 the Government's Treasury bill and bond auctions continued to be well bid. Primary dealers play the major role at auctions except in the case of RRB auctions, where customers' winnings exceed that of primary dealers. The secondary market for Government of Canada securities continues to experience healthy trading volumes and turnover ratios that compare favourably to those of other countries. Primary dealers also play a major role in secondary markets, with the top 10 participants accounting for about 90 per cent of turnover of Treasury bills and bonds.

The bond buyback program continues to be effective in helping to maintain a liquid issuance program and build new benchmarks within a reasonable time frame.

Primary Market

Program Activity

Nominal Bonds

Gross bond program issuance in 2003–04 was $39.4 billion (see Table 2), lower than the $42.3 billion in 2002–03. Gross issuance consisted of $13.0 billion in 2-year bonds, $10.7 billion in 5-year bonds, $11.5 billion in 10-year bonds and $4.2 billion in 30-year bonds (see Reference Table IX for more information on bond auctions). In 2003–04, $31.7 billion of bonds matured. Taking into account buybacks and maturities, net new issuance declined by $10.9 billion during the year, reducing the stock of outstanding bonds to $258.2 billion as at March 31, 2004.

Regular Bond Buyback Program

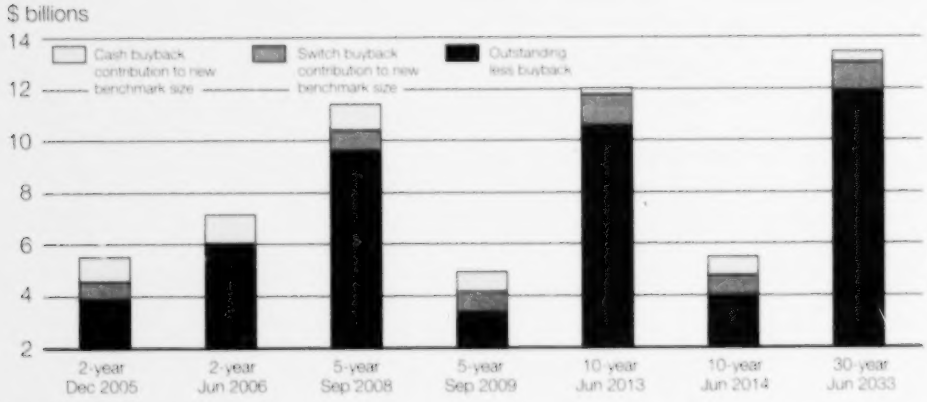
The objectives of the bond buyback program are to enhance liquidity and maintain active new issuance in the primary market for Government of Canada securities.

Under cash buybacks, off-the-run bonds are repurchased with cash to sustain larger auction sizes. Buybacks on a switch basis exchange off-the-run bonds with new building benchmark securities, thereby adding to the overall liquidity of the issues.

Bond buyback operations totalled $10.2 billion in 2003–04, consisting of $6.2 billion in 2- and 5-year bonds, $2.5 billion in 10-year bonds, and $1.5 billion in 30-year bonds (see Reference Table XII for more information on buyback operations).

On average, buybacks on a cash basis helped to increase sizes of new benchmarks in 2003–04 by $369 million per auction (see Chart 9). Switch buyback operations in 2003–04 exchanged $5.0 billion of off-the-run bonds for $5.5 billion of new building benchmarks.

Chart 9
Impact of Regular Buyback Program on Benchmark Sizes
As of March 31, 2003



Source: Department of Finance.

Real Return Bonds

RRB issuance in 2003–04 was in line with the previous year's issuance of $1.4 billion, increasing the level of outstanding RRBs from $19.1 billion (which includes the Consumer Price Index [CPI] adjustment) to $20.6 billion as at March 31, 2004 (see Table 2). In 2003–04 the Government issued its fourth RRB, a December 1, 2036, maturity. (See Reference Table X for more information on RRB auctions.)

Table 2
Change in Composition of Federal Market Debt, 2003–04

	April 1, 2003 Outstanding	New Issues	Maturing	Repurchase	March 31, 2004 Outstanding	Change
			($ billions)			
Domestic debt						
Nominal bonds	269.1	39.4	31.7	25.8[1]	258.2	-10.9
Real return bonds	19.1[2]	1.4	0.0	–	20.6	1.5[3]
Treasury bills[4]	104.4	262.4	253.4	–	113.4	9.0
Retail debt	22.6	2.0	3.2	–	21.3	-1.3
Total domestic debt	415.2				413.5	-1.7
Foreign currency debt[5]						
Canada bills	2.6	14.0	13.2	–	3.4	0.8
Foreign bonds[6]	14.0	0.2	1.3	–	12.9	-1.1
Canada notes	1.2	0.0	0.0	–	1.2	0.0
Euro Medium-Term Notes	3.3	0.0	0.3	–	3.0	-0.3
Total foreign debt	21.1				20.5	-0.6
CPP bonds and notes	3.4	–	0.0	–	3.4	0.0
Obligations related to capital leases	2.7	0.2	0.1		2.8	0.1
Total market debt	442.4				440.2	-2.2

Note: As at March 31, 2004, the total amount of interest rate ($1.6 billion) and cross-currency ($24.6 billion) swaps outstanding stood at $26.2 billion. Cross-currency swaps convert C$-denominated government debt into foreign currency obligations for the purpose of funding the foreign reserves portfolio.

Numbers may not add due to rounding.

[1] Includes the bond buyback program on a cash and switch basis, and the pilot cash management bond buyback program.

[2] Includes a correction to the calculation of CPI adjustment in previous years.

[3] Includes CPI adjustment.

[4] These securities are issued at 3-, 6- and 12-month maturities and are therefore rolled over a number of times during the year for refinancing. This results in a larger number of new issues per year than stock outstanding at the end of the fiscal year. These amounts include cash management bills.

[5] Liabilities are stated at par value at the March 31, 2004, exchange rate. Increases/decreases shown for foreign currency bonds, Canada notes and Euro Medium-Term Notes are due, either partly or fully, to the exchange rate appreciation/depreciation of the currency of issue versus the Canadian dollar.

[6] Includes $492.0 million in securities assumed by the Government of Canada on February 5, 2001, on the dissolution of Petro-Canada Limited.

Source: *Public Accounts of Canada*.

Treasury Bills and Cash Management Bills (CMBs)

The stock of outstanding Treasury bills and CMBs increased by $9.0 billion during 2003–04 to $113.4 billion at March 31, 2004 (see Table 2), consistent with the orderly move to a lower fixed-rate share of debt. For the entire fiscal year $262.4 billion in Treasury bills and CMBs were auctioned, an increase of $25.7 billion from the previous year (see Table 3). There were $4.0 billion of CMBs outstanding at the beginning of fiscal 2003–04 and $4.7 billion outstanding at the end of the year. Throughout the year the Government issued $28.5 billion of CMBs of various short-term maturities.

Table 3
Treasury Bill and CMB Program

	1998–99	1999–00	2000–01	2001–02	2002–03	2003–04
			($ millions)			
CMBs	25,750	19,700	9,000	7,500	23,750	28,500
3-month Treasury bills	90,800	100,700	88,100	103,300	117,400	129,700
6-month Treasury bills	42,600	46,600	38,600	43,100	47,800	51,900
12-month Treasury bills	39,500	46,600	38,600	43,100	47, 800	51,900
	172,900	193,900	165,300	189,500	213,000	233,450
Total	198,650	213,600	174,300	197,000	236,750	262,416

Note: Sub-categorization of Government of Canada debt is in accordance with Bank of Canada reports, which may vary slightly from Public Accounts categories due to differences in classification methods. The total outstanding market debt may not equal the sum of the parts due to slight differences between the Bank of Canada's and Department of Finance's numbers.

Sources: Bank of Canada and *Public Accounts of Canada*.

Retail Debt

The level of outstanding debt held by domestic retail investors—Canada Savings Bonds and Canada Premium Bonds—decreased from $22.6 billion to $21.3 billion in 2003–04. Gross sales and redemptions were $2.0 billion and $3.2 billion, respectively, for a net reduction of $1.3 billion in the stock of retail debt.

Bill and Bond Auction Results Indicators

The two conventional measures of auction performance are the auction coverage and tail. These two measures, combined with the yield of the securities issued, describe the quality of an auction in terms of its competitiveness and its impact on the cost of borrowing.

The auction coverage is defined as the total size of bids received divided by the auction size. A cover statistic of one is essential and a higher statistic is generally better, as it indicates active bidding and therefore lower costs for the Government. The auction tail is the number of basis points between the highest yield accepted and the average yield. In this case, smaller is better as it indicates strong bidding and therefore lower costs.

The terms of participation in government auctions require larger dealers (primary dealers) to bid 50 per cent of their calculated bidding limit at reasonable prices. Maximum coverage ratios from primary dealers (which represent about 85 per cent of winning bids) could reach a maximum of about 2.6 for bond auctions and 2.4 for Treasury bill and CMB auctions, while minimum coverage, assuming that all primary dealers bid at their minimum bidding limit, would total about 1.4 for bond auctions and 1.2 for Treasury bill and CMB auctions.

In 2003–04 coverage remained generally stable for CMB, Treasury bill and bond auctions and declined slightly for RRB auctions compared to the previous fiscal year. Overall, coverage has remained stable over the last four years (see Table 4).

In 2003–04 tails were generally narrower for Treasury bill and bond auctions than in the previous year. Overall, tails were narrower in 2003–04 than the 4-year average for all auctions, indicating relatively more competitive bidding at auctions (see Table 4).

Table 4
Performance at Auctions

	Coverage					Tail				
	2000–01	2001–02	2002–03	2003–04	4-yr avg.	2000–01	2001–02	2002–03	2003–04	4-yr avg.
Treasury bills										
3-month	2.1	2.0	2.2	2.2	2.1	1.1	1.3	0.6	0.5	0.8
6-month	2.3	2.2	2.3	2.2	2.2	0.9	0.8	0.7	0.5	0.7
12-month	2.2	2.0	2.1	2.1	2.1	1.0	0.9	0.7	0.7	0.8
CMBs	2.0	1.9	2.0	2.0	2.0	2.3	1.4	1.4	1.4	1.5
Nominal bonds										
2-year	2.5	2.3	2.3	2.5	2.4	0.6	0.7	0.7	0.5	0.6
5-year	2.6	2.4	2.5	2.6	2.5	0.5	0.7	0.7	0.5	0.6
10-year	2.7	2.5	2.5	2.5	2.5	1.1	0.9	0.8	0.5	0.8
30-year	2.4	2.5	2.5	2.6	2.5	2.8[1]	1.1	0.7	0.4	1.3
Real return bonds[2]	3.1	2.8	3.2	2.9	3	n.a.	n.a.	n.a.	n.a.	n.a.
Weighted average[3]	2.3	2.1	2.2	2.2	2.2	1.0	1.1	0.7	0.5	0.8

[1] The peak in the average tail for 30-year auctions in 2000–01 is due to one of the two 30-year auctions (April 19, 2000 auction) that had an unusually large tail of 4.4 basis points, which increased the annual average to 2.75 basis points.

[2] Auction tails for RRBs are not relevant since RRBs are distributed through single-price auctions.

[3] Weighted average excludes CMBs.

Source: Bank of Canada.

Participation at Auctions

This section provides information on participation of government securities distributors (primary dealers and other government securities dealers) and customers (institutional investors) in the primary market for Government of Canada securities. Primary market activity shares are calculated using participants' allotments at auctions during the fiscal year.

Nominal Bonds

In 2003–04 primary dealers (PDs) were allotted 93.4 per cent of nominal bond auctions while customers were allotted 4.7 per cent (see Table 5). The 10 most active participants bought 90.9 per cent of the bonds on average. These percentages show a slight increase in concentration of primary dealer allotments from previous years, continuing a trend of increasing auction shares by the larger participants.

Table 5
Bond Auctions Share of Amount Allotted to Participants (Excluding Real Return Bonds)

Participant Type	2000–01	2001–02	2002–03	2003–04
		(%)		
PDs	91.5	83.7	91.8	93.4
Non-PDs	2.7	6.4	2.5	1.8
Customers	5.8	9.8	5.6	4.7
Top 10 participants	86.1	84.0	88.7	90.9

Source: Bank of Canada.

Bond Buybacks

Primary dealers are the most active participants in bond buyback operations. Customers' share of allotments at buybacks is shown as zero, but this likely underestimates the level of participation of customers, as they may participate in buyback operations through dealers without identifying themselves (see Table 6).

Table 6
Bond Buyback Operations Share of Amount Allotted to Participants (Excludes Cash Management Bond Buybacks)

Participant Type	2000–01	2001–02	2002–03	2003–04
		(%)		
PDs	94.1	86.2	96.4	97.9
Non-PDs	2.4	0.0	1.7	2.1
Customers[1]	3.5	13.8	1.9	0.0
Top 10 participants	97.1	98.4	94.5	97.4

[1] Results may underestimate customer participation. Contrary to Treasury bill and bond auctions, customers do not have to inform the Bank of Canada about their participation at buyback operations.

Source: Bank of Canada.

Real Return Bonds

Unlike nominal bond auctions, RRB auctions have more active customer participation. Allotments to customers increased from 51.2 per cent in 2002–03 to 63.1 per cent in 2003–04. This is largely due to the continuing lack of product availability in the secondary market, as many RRB investors are buy-and-hold investors. The 10 most active participants in RRB auctions were allotted 69.0 per cent of the auction, which is in line with historical averages (see Table 7).

Table 7
RRB Auctions Share of Amount Allotted to Participants

Participant Type	2000–01	2001–02	2002–03	2003–04
		(%)		
PDs	45.5	39.0	47.9	36.1
Non-PDs	2.7	3.9	0.9	0.8
Customers	51.8	57.2	51.2	63.1
Top 10 participants	68.4	61.2	63.9	69.0

Source: Bank of Canada.

Treasury Bills

For 2003–04 primary dealers accounted for 84.2 per cent of amounts allotted at Treasury bill auctions while customers accounted for 14.5 per cent. Customers have steadily seen their share increase over the last four years, while the share held by primary dealers has decreased slightly. In 2003–04 the 10 most active participants accounted for 93.7 per cent of amounts allotted at Treasury bill auctions (see Table 8).

Table 8
Treasury Bills Auctions Share of Amount Allotted to Participants

Participant Type	2000–01	2001–02	2002–03	2003–04
		(%)		
PDs	87.6	86.0	84.1	84.2
Non-PDs	1.5	1.6	2.2	1.2
Customers	10.9	12.4	13.6	14.5
Top 10 participants	92.5	93.0	91.5	93.7

Source: Bank of Canada.

Cash Management Bills

Primary dealers are the most frequent participants at CMB auctions. In 2003–04 primary dealers were awarded 97.8 per cent of the allotted amounts, and the 10 most active participants accounted for 99.2 per cent. The average allotment share of customers fell to 0.8 per cent from 4.5 per cent in the previous fiscal year (see Table 9).

Table 9
CMBs Auctions Share of Amount Allotted to Participants

Participant Type	2000–01	2001–02	2002–03	2003–04
		(%)		
PDs	92.9	95.6	93.0	97.8
Non-PDs	4.5	2.3	2.5	1.4
Customers	2.6	2.1	4.5	0.8
Top 10 participants	95.6	97.9	95.5	99.2

Source: Bank of Canada.

Secondary Market

The two conventional measures of liquidity and efficiency in the Government of Canada securities market are trading volume and turnover ratio. These two measures are presented for bonds (Chart 10 and, for international comparison, Chart 11), Treasury bills (Chart 12), bond repos (Chart 13) and Treasury bill repos (Chart 14).

Trading volume, which shows the amount of securities traded per period, is a conventional indicator of liquidity. Large trading volume allows participants to buy or sell in the marketplace without a substantial change in the price of the securities.

Turnover ratio, which is the ratio of securities traded relative to the securities outstanding, is a measure of market efficiency. High turnover implies that a large amount of securities changes hands over a given period of time, a hallmark of an efficient securities market.

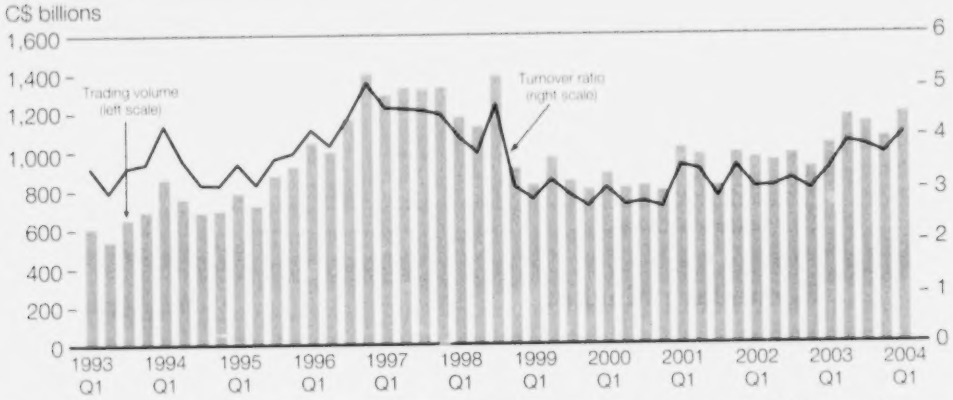
A number of factors affect trading volume and turnover ratio, such as the extent to which new information changes views in the marketplace and changes in the stock of outstanding securities. Trends in these two measures can be indicators of changes in market liquidity and efficiency.

The presence of liquid repo markets and liquid futures contracts also complements an efficient Government of Canada securities market. A liquid repo market exists in the Government of Canada securities market for Treasury bills and nominal bonds. There is also an active futures contract based on the benchmark 10-year Government of Canada bond. (On May 3, 2004, the Montreal Exchange launched a new futures contract on the benchmark 2-year Government of Canada bond.)

Trading Volume and Turnover Ratios

The volume of transactions in the Government of Canada bond market has grown significantly since 1990. Total marketable bond trading volume was $4,561 billion in 2003–04, an 18.1-per-cent increase from 2002–03. The average quarterly turnover ratio was 3.8 times the outstanding stock of bonds in 2003–04, compared to 3.1 in 2002–03 (see Chart 10).

Chart 10
Government of Canada Bonds
Trading Volume and Turnover Ratio

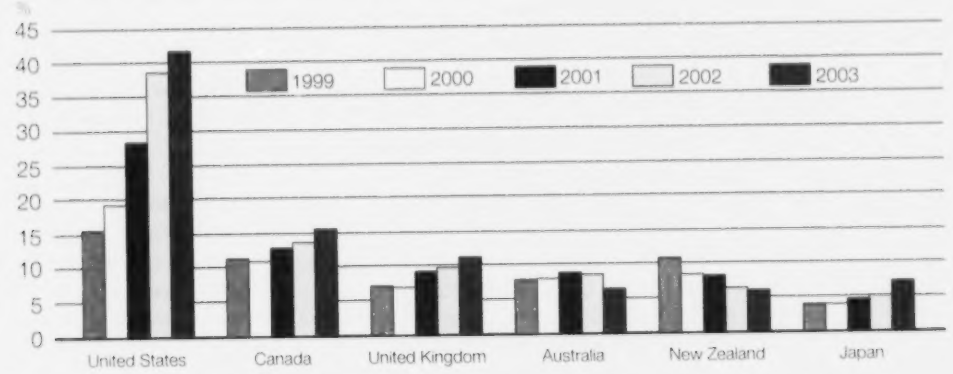


Note: Trading volume is total trading volume in each quarter. Turnover ratio is total trading volume in each quarter/stock.

Source: Bank of Canada.

The Government of Canada bond market compares favourably with other major sovereign bond markets. The market had an annual stock turnover in 2003 of 15.6, behind only the United States, which had a stock turnover level of 41.8 (see Chart 11).

Chart 11
Sovereign Bond Turnover Ratios

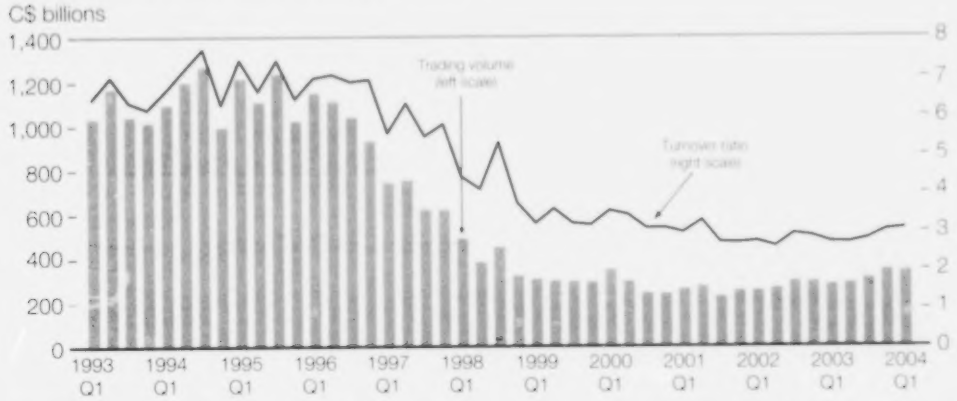


Note: Turnover ratio is total trading volume in each quarter/stock. Comparisons with the UK do not take into account higher issuance levels of inflation-linked bonds compared to other sovereigns.

Sources: *Australian Financial Markets Report*, Bank of Canada, Federal Reserve Bank of New York, Japan Ministry of Finance, The Bureau of the Public Debt of the U.S., London Stock Exchange, United Kingdom Debt Management Office, Reserve Bank of New Zealand.

The volume of transactions in the Treasury bill market improved from the previous fiscal year but remains below the highs in the mid-1990s, when the level of the Treasury bill stock was at its peak. In 2003–04 total Treasury bill turnover was $1,290 billion (see Chart 12).

Chart 12
Government of Canada Treasury Bills
Trading Volume and Turnover Ratio

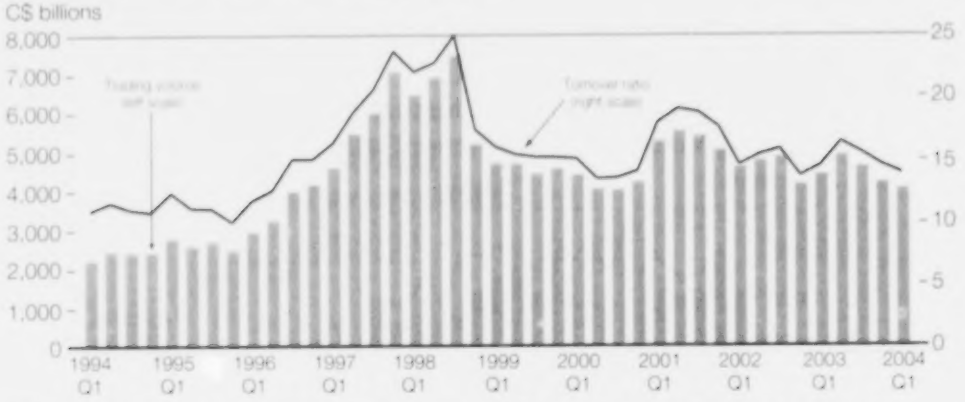


Note: Trading volume is total trading volume in each quarter. Turnover ratio is total trading volume in each quarter/stock.

Source: Bank of Canada.

Both Government of Canada bond repos and Treasury bill repos remained active in 2003–04. The total turnover for Government of Canada bond repos in 2003–04 was $17,745 billion, down from $18,164 billion in 2002–03. The average quarterly turnover ratio for bond repos in 2003–04 was 15.0 times compared to 14.8 times in 2002–03 (see Chart 13). The Treasury bill repo market volume in 2003–04 was $2,710 billion and the average quarterly turnover ratio was 6.0 (see Chart 14). Turnover and trading volume were in line with the stock of Treasury bill decreases in the late 1990s.

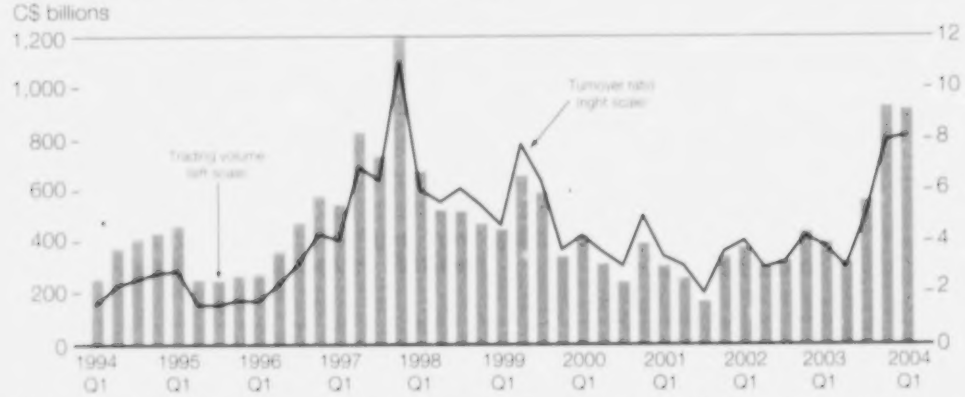
Chart 13
Government of Canada Bond Repos
Trading Volume and Turnover Ratio



Note: Trading volume is total trading volume in each quarter. Turnover ratio is total trading volume in each quarter/stock.

Source: Bank of Canada.

Chart 14
Government of Canada Treasury Bill Repos
Trading Volume and Turnover Ratio



Note: Trading volume is total trading volume in each quarter. Turnover ratio is total trading volume in each quarter/stock.

Source: Bank of Canada.

The trading volume of futures contracts in 2003–04 maintained the levels of previous years. The futures contract based on the 10-year Government of Canada bond (the Canadian Government Bond contract or CGB contract) continues to be actively traded, as trading volume reached 2.4 million in 2003, a 32.9-per-cent increase from 2002.

Trading by Market Participants

Bonds

Primary dealers' share of bond trading decreased from 2002–03 while non-primary dealers' share increased, but the levels have remained fairly stable over the last four years. The 10 most active participants in the bond secondary market represent 95.1 per cent of trading activities (see Table 10).

Table 10
Bonds Trading: Market Share of Participants

Participant Type	2000–01	2001–02	2002–03	2003–04
		(%)		
PDs	93.5	94.0	93.3	92.6
Non-PDs	6.5	6.0	6.7	7.4
Top 10 participants	91.6	96.0	95.9	95.1

Source: Bank of Canada.

Treasury Bills

Primary dealers have become the main traders in the Treasury bill secondary market and represent 98.4 per cent of total trading volume. The 10 most active participants in the Treasury bill secondary market represent 99.2 per cent of trading activities (see Table 11).

Table 11
Treasury Bill Trading: Market Share of Participants

Participant Type	2000–01	2001–02	2002–03	2003–04
		(%)		
PDs	98.3	98.3	98.4	98.4
Non-PDs	1.7	1.7	1.6	1.6
Top 10 participants	98.3	99.4	99.5	99.2

Source: Bank of Canada.

Cash Management

Receiver General (RG) cash balances, the Government's Canadian-dollar balances, fluctuate widely over the year with variations in the Government's financial operations, periodic large maturities of Government of Canada bonds, the operations of the Bank of Canada and changes in market conditions. The primary objective is to hold the lowest level of cash balances, consistent with ensuring funds are available to meet daily requirements with an appropriate margin for uncertainty.

Treasury managers use a number of indicators with respect to cash management activities, including the average level of cash balances, coverage and tail at RG auctions, the performance of participants at RG auctions, effectiveness of the cash management bond buyback program, and the cost of carry.

Average Daily Cash Balances

Average daily cash balances increased in 2003–04 to $7.9 billion (see Table 12) as a result of larger bond maturities relative to the previous fiscal year.

Table 12
Average Daily RG Cash Balances Held at Financial Institutions

	1999–00	2000–01	2001–02	2002–03	2003–04
			($ millions)		
Average daily cash balances	9,021	10,188	7,921	6,139	7,854

Source: Bank of Canada.

Coverage and Tails

In 2003–04 RG coverage improved from the previous fiscal year for both AM and PM auctions, and was above the rolling four-year average (see Table 13). The results are a continuation of the trend from the previous year, when the new RG collateralization framework was introduced to encourage more participation in AM auctions.

In 2003–04 AM auction tails widened by more than half a basis point from the previous year but were roughly in line with the four-year average. PM auction tails remained stable, below the average of the last four years.

Table 13
Performance at Receiver General Auctions

	2000–01	2001–02	2002–03	2003–04	4-yr. avg.
AM auctions					
Coverage	2.53	2.42	3.29	3.38	2.83
Tail	1.18	2.28	0.91	1.68	1.51
PM auctions					
Coverage	1.78	2.27	2.31	2.53	2.17
Tail	4.81	2.58	3.04	3.09	3.54

Source: Bank of Canada.

Participation

In the first full year under a collateralized framework, the participant base at RG auctions widened, with non-LVTS (Large Value Transfer System) institutions, which were not eligible participants under the previous framework, becoming more active. The top 10 LVTS participants won 76 per cent of RG auctions on average in 2003–04, while other participants gained 24 per cent of the amount allotted (see Table 14).

Table 14
Receiver General Auctions Share of Amount Allotted Between LVTS and Other Participants

Participant Type	2000–01	2001–02	2002–03	2003–04
		(%)		
Top 10 LVTS	97.4	98.5	91.0	76.0
Top 10 others	0.0	0.0	7.1	23.8

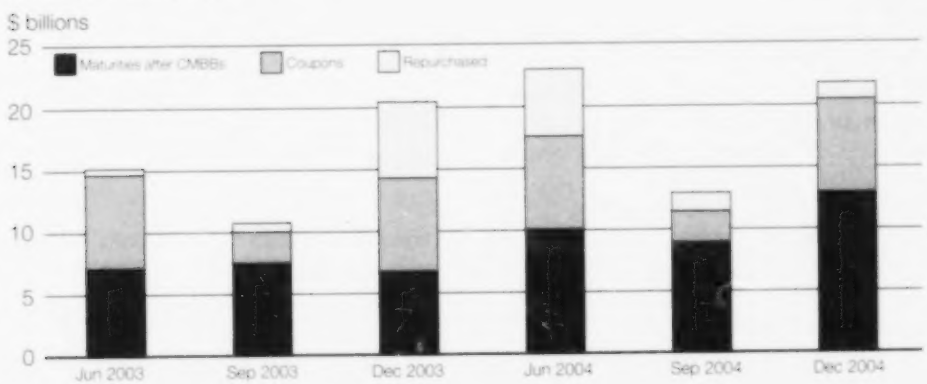
Source: Bank of Canada.

Cash Management Bond Buyback Program

The cash management bond buyback (CMBB) program helps manage the Government's cash requirements by reducing the high levels of government cash balances needed. The program also helps to smooth variations in Treasury bill auction sizes over the year.

In 2003–04 the total amount of bonds repurchased through the CMBB program was $15.7 billion, compared to $12.9 billion in 2002–03. The CMBB program lowered the December 2003 maturity by 48 per cent to $6.7 billion. The program also repurchased $5.4 billion in bonds from the June 2004 bond, reducing the maturing amount to $10.0 billion. Overall, large maturities in 2003–04 were lowered by 46 per cent, dropping the Government's cost of holding high levels of cash balances for key coupon and maturity payment dates (see Chart 15).

Chart 15
Impact of CMBB Operations on the Government's Large Payments
As of March 31, 2004



Source: Department of Finance.

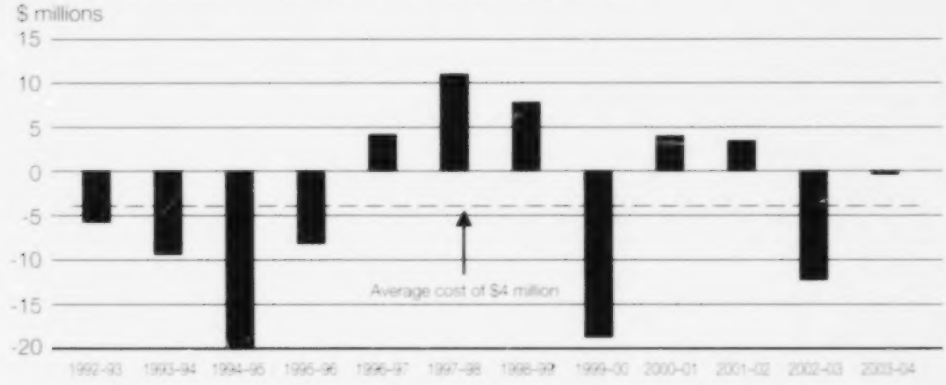
Cost of Carry

The key measure for the management of cash balances is the net return on cash balances: the difference between the return on government balances auctioned to financial institutions (typically around the overnight rate) and the average yield paid on Treasury bills. A normal upward sloping yield curve results in a cost of carry, as financial institutions pay rates of interest for government deposits based on an overnight rate that is lower than the rate paid by the Government to borrow funds. Conversely, under an inverted yield curve, short-term deposit rates are higher than the average of 3- to 12-month Treasury bill rates, which can result in a net gain for the Government.

In 2003–04 the financial impact of holding RG cash balances was a net cost of $0.4 million, compared to a net cost of $12.4 million for the prior fiscal year (see Chart 16). The cost of carry was offset by gains during the year made due to shifts in the short end of the yield curve from a normal upward sloping shape to an inverted shape.

Chart 16

Cost (-) or Gain (+) of Carry for Cash Balances



Source: Bank of Canada.

Foreign Currency Debt Programs

Canada Bills

In 2003–04 the level of outstanding Canada bills increased from $2.6 billion (US$1.8 billion) to $3.4 billion (US$2.6 billion)—see Table 2. In 2003–04 Canada bills were issued, on average, at an all-in cost of US$LIBOR less 15-25 basis points.

Foreign Currency Bonds

There was no new foreign bond issuance and there were no maturities in 2003–04. The total outstanding was $12.9 billion (US$9.8 billion).

Canada Notes

There was no new Canada note issuance and there were no maturities in 2003–04. The total outstanding was $1.2 billion (US$1.0 billion).

Euro Medium-Term Notes

In 2003–04 no new Euro Medium-Term Notes were issued, while a total of $0.09 billion (US$0.07 billion) matured. The total outstanding decreased from $3.3 billion (US$2.2 billion) to $3.0 billion (US$2.4 billion).

Cross-Currency Swaps

In 2003–04 the Government of Canada raised $0.14 billion (US$0.1 billion) to fund the foreign exchange reserves by entering into three cross-currency swaps. A limited number of cross-currency swaps were issued compared to previous fiscal years due to the Government's small funding requirements in 2003–04. A total of $3.3 billion (US$2.5 billion) of swaps matured in 2003–04. At the end of the 2003–04 fiscal year, the outstanding amount of cross-currency swaps totalled $24.6 billion (US$18.8 billion) (see Reference Table XI for transaction details). Taking into account the effect of cross-currency swaps, foreign currency obligations were 10.0 per cent of market debt.

Funding and Investment of Reserves

The main measures in the area of the funding and investment of reserves are the costs of the liabilities and the cost of carry on the asset/liability portfolio.

Liability Costs: In 2003–04 the sources of reserve funding were Canada bills and cross-currency swaps. Canada bills were issued, on average, at an all-in cost of US$LIBOR less 15-25 basis points—generally in line with funding levels of recent years.

In the case of cross-currency swaps, the Government raised reserve assets at US$LIBOR less 34 basis points on average in 2003–04, in line with recent years.

Carry: One objective in managing the Exchange Fund Account (EFA) is to minimize the cost of carrying reserves. The EFA must be invested in liquid, high-quality, fixed-income securities, which provide a relatively low rate of return. In recent years policy changes have been made to broaden the eligible asset mix, within prudent limits, and to invest more in euro-denominated assets. These measures have helped to increase portfolio returns. Further means used to minimize the carry of the EFA have been the use of cross-currency swaps, which are highly cost-effective compared to other sources of funds, and the securities-lending program.

The carry on the foreign reserves is currently assessed by subtracting the interest paid on Canada's foreign currency liabilities from interest earned on the reserve assets (i.e. the net interest earned or paid) and expressing this value as a percentage of total assets held. When net realized gains (due to gains on US-dollar and euro asset sales) are taken into consideration, the overall carry of the total EFA portfolio in 2003–04 is estimated at +50.3 basis points compared to +64.5 basis points in 2002–03.[2] (The 2003 *Report on the Management of Canada's Official International Reserves*, available at www.fin.gc.ca/toce/2004/oir04_e.html, provides further information on the performance of the EFA.)

Holdings of Government of Canada Debt

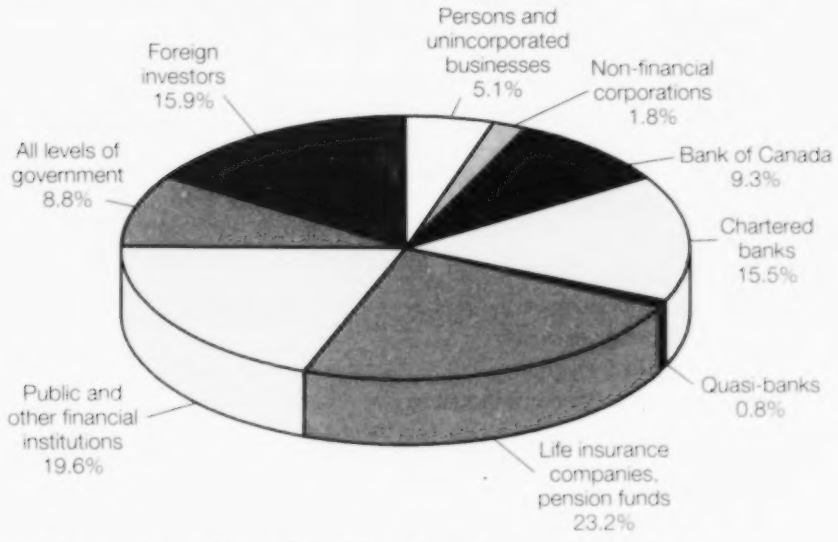
A diversified investor base helps to keep funding costs low by ensuring there is active demand for Government of Canada securities. The Government pursues diversification of its investor base by maintaining a domestic wholesale debt program that is attractive to a wide range of investors, offering a retail debt program that provides savings products to suit the needs of individual Canadians, and using a broad array of funding sources in its foreign borrowings.

In 2003 life insurance companies and pension funds accounted for the largest share of holdings of Government of Canada market debt (21.9 per cent). This is followed by public and other financial institutions such as investment dealers and mutual funds (19.6 per cent) and foreign investors (15.9 per cent)—see Chart 17. Taken together, they accounted for close to 60 per cent of total holdings.

Reference Table IV shows the evolution of the distribution of domestic holdings of Government of Canada debt since 1976, and illustrates that the holdings have become more diversified over that period.

[2] These numbers are significantly higher than the numbers reported in previous years due to a change in the methodology to include realized gains/losses on the sale of assets.

Chart 17
Distribution of Holdings of Government of Canada Market Debt
As of March 31, 2004


Persons and unincorporated businesses 5.1%
Foreign investors 15.9%
Non-financial corporations 1.8%
All levels of government 8.8%
Bank of Canada 9.3%
Chartered banks 15.5%
Quasi-banks 0.8%
Public and other financial institutions 19.6%
Life insurance companies, pension funds 23.2%

Source: Statistics Canada, *National Balance Sheet Accounts*.

External Evaluations of Debt Management Policies and Activities

The Department of Finance has an ongoing treasury evaluation process to assess debt management effectiveness. The Department uses external evaluations to assess policies and operational decisions in the area of debt management in order to inform future decision making and contribute to public transparency and good governance. Independent evaluators are contracted to carry out the evaluations.

As noted earlier in Part II in the section entitled "Governance of Treasury Activities," two evaluations were undertaken in 2002–03, focusing on the retail debt program and on the governance of debt and reserves management. Table 15 lists all of the external studies undertaken of the debt management program.

Table 15
Treasury Evaluation Reports, 1992–2004

Area	Year
Debt Management Objectives	1992
Debt Structure—Fixed/Floating Mix	1992
Internal Review Process	1992
External Review Process	1992
Benchmarks and Performance Measures	1994
Foreign Currency Borrowing—Canada Bills Program	1994
Developing Well-Functioning Bond and Bill Markets	1994
Liability Portfolio Performance Measurement	1994
Retail Debt Program	1994
Guidelines for Dealing With Auction Difficulties	1995
Foreign Currency Borrowing—Standby Line of Credit and FRN	1995
Treasury Bill Program Design	1995
Real Return Bond Program	1998
Foreign Currency Borrowing Programs	1998
Initiatives to Support a Well-Functioning Wholesale Market	2001
Debt Structure Target/Modelling	2001
Reserves Management Framework	2002
Bond Buybacks	2003
Funds Management Governance Framework	2004
Retail Debt Program	2004

Note: The last two reports are available online at www.fin.gc.ca.

Source: Department of Finance.

Annex 1—Composition of the Federal Debt

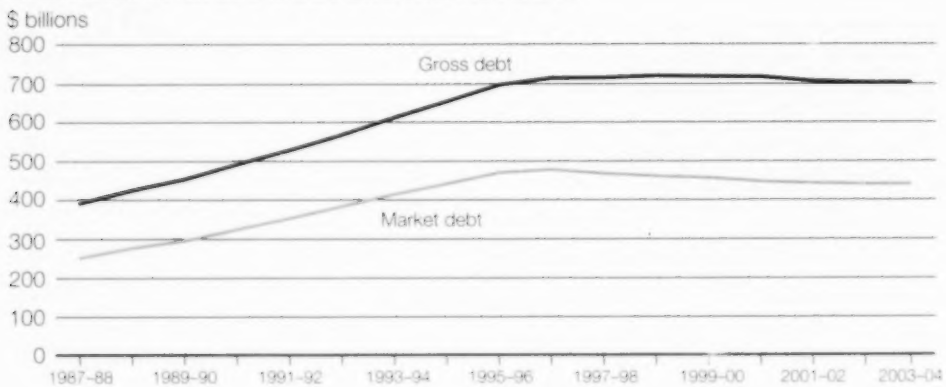
Gross Debt

Gross debt is made up of market debt and non-market debt. At the end of March 2004 gross debt totalled $701.1 billion, up $1.0 billion from the previous year and down $14.7 billion from its peak of $715.8 billion in 1999–2000.

Market Debt

Market debt is the portion of gross debt that is funded in the capital markets and managed by the Government. Market debt consists of marketable bonds, Treasury bills, foreign currency denominated bonds and bills, retail debt, bonds held by the Canada Pension Plan (CPP) and obligations related to capital leases. Foreign currency debt is issued on an opportunistic basis. At March 31, 2004, market debt outstanding was $440.2 billion, down $2.2 billion from the previous year (see Chart A1).

Chart A1
Evolution of Gross Debt and Market Debt



Source: *Public Accounts of Canada*.

Non-Market Debt

Non-market debt includes liabilities held by the Government, outside the capital markets. This includes money owed to public sector pensions, the CPP, and employees and veterans for future benefits, as well as other liabilities, accounts payable and accrued liabilities and allowances. In 2003–04 non-market debt amounted to $260.9 billion, up $3.2 billion from 2002–03.

Net Debt

Net debt is gross debt minus financial assets. Financial assets include cash, foreign exchange accounts and loans. Net debt declined by $8.5 billion, from $564.8 billion in 2002–03 to $556.3 billion in 2003–04. The Government's financial assets increased by $9.5 billion to $144.8 billion, as the decrease in foreign exchange reserves was more than offset by increases in the Government's cash balances, tax receivable, loans, investments and advances.

Federal Debt

Federal debt, or the accumulated deficit, is net debt minus non-financial assets. Non-financial assets include tangible capital assets, inventories and prepaid expenses. Federal debt declined by $9.1 billion, from $510.6 billion in 2002–03 to $501.5 billion in 2003–04. The Government's non-financial assets increased by only $0.6 billion to $54.8 billion, as the increase in tangible capital assets was offset somewhat by a decrease in prepaid expenses.

Annex 2—Managing the Risks of Holding Cash and Reserves

In recent years the Government has put in place frameworks to manage financial risk, particularly its exposure to the financial institution counterparties with which it transacts in the management of its Receiver General cash balances and foreign exchange reserves.

The Government's risk management policies, supported by a financial risk office at the Bank of Canada, call for prudent management of treasury risks based on best practices. Risk tolerances are low, calling for market risk to be immunized to the greatest extent possible and the maintenance of high credit quality and portfolio diversification standards.

Foreign currency reserve assets and the liabilities financing these assets have been managed together on a portfolio basis since 1998, based on principles used by private sector financial institutions. The Government uses an asset-liability matching framework, whereby assets and liabilities financing these assets are matched (as closely as possible) in currency and duration, so that the Government is not exposed to currency and interest rate risks. The risk of material loss arising from interest and/or currency risk is very low.

In the late 1990s the Government also developed a rigorous, comprehensive credit risk system that is consistent with best practices and includes credit exposure limits pertaining to issuers and counterparties across all lines of business. The management of Canadian-dollar cash balances and the investment of reserve assets are governed by detailed investment and credit guidelines approved by the Minister of Finance. The guidelines limit the Government's credit exposure to commercial financial institution counterparties and to the issuer of securities held by the Government in the foreign currency reserve portfolio.

More recently the Government has further strengthened its risk management framework by implementing collateral management frameworks. Collateral management systems are increasingly the norm in capital markets as a way of managing credit risk. Under these frameworks, high-quality collateral (e.g. cash, securities) is posted to the Government when credit risk to financial institution counterparties exceeds specified limits.

Collateral Framework for Investment of Canadian-Dollar Cash Balances

A collateralized framework for AM auctions was implemented in September 2002. The new framework strengthens the management of the credit risks involved in the investment of cash balances through the use of credit ratings, credit lines and collateral agreements, and increases competition in the auction of cash balances by opening the AM auctions to a wider range of participants. The number of eligible participants has increased from 13 to 21 institutions. The PM auction remains unchanged. Please see the Bank of Canada Web page at www.bankofcanada.ca/en/auction/rec_general.pdf for further information.

Collateral Framework for Swaps and Foreign Currency Cash Balances

Cross-currency swaps of domestic obligations have been used since March 1995 to fund the foreign exchange reserves. Swaps are highly cost-effective compared to other sources of foreign currency funding. The Government's swap portfolio has increased significantly and as of March 31, 2004, it stood at $24.6 billion.

To mitigate the counterparty credit risk associated with swaps, the Government implemented a collateral management framework in April 2002. High-quality collateral is posted to the Government if individual credit exposures, arising from changes in the mark-to-market values of swap contracts, exceed pre-set limits. As of March 31, 2004, the swap collateral framework included 12 financial institution counterparties.

In addition to the swap collateral framework, in the latter part of 2002–03, the Government developed a US-dollar repo program to reduce the use of uncollateralized short-term US-dollar deposits with commercial banks. Under the repo framework, collateral is posted to the Government to protect US-dollar cash invested with financial institution counterparties. As of March 31, 2004, the Government had signed seven counterparties to its US-dollar repo framework.

Amendment of Investment and Risk Guidelines

With the implementation of a collateral management framework for the Government's cross-currency swap program, in 2002 the Government modified its credit guidelines to accept A-rated financial institutions as eligible counterparties for foreign currency deposits and swaps. This change helped the Government further diversify its investments across financial institution counterparties without increasing risk significantly. Credit exposure to A-rated financial institutions is maintained within prudent standards, consistent with best practices of comparable sovereigns and major market participants.

The investment guidelines governing the management of the reserves asset portfolio were also modified in 2002 to allow a limited amount of securities of A-rated sovereigns to be held within prudent limits (previously the Government could only invest in AA- and AAA-rated sovereigns), mirroring the change to allow limited exposure to A-rated financial counterparties involved in reserves management. This change is in line with the investment practices of a number of Organisation for Economic Co-operation and Development sovereigns and allows the Government to further diversify its reserves investment portfolio.

Maintenance of Supplementary Liquidity

In August 2002 the Government successfully renegotiated its existing US$6-billion standby credit facility with international banks. The standby facility provides supplementary liquidity to meet the Government's needs in the event that market disruption makes borrowing through securities markets impossible. Under the renewal of the facility, the composition of the banks in the facility was changed, and the maturity date was extended from 2003 to 2007. No other changes were made to the terms of the facility.

Annex 3—Glossary

basis point: One-hundredth of a percentage point (0.01 per cent).

benchmark bond: Specific issue outstanding within each class of maturities. It is considered by the market to be the standard against which all other bonds issued in that class are evaluated.

bid: Price a buyer is willing to pay.

bid-offer spread: The difference between bid and offer prices. It is typically measured in basis points.

budgetary surplus: Occurs when government annual revenues exceed annual budgetary expenses. A deficit is the shortfall between government annual revenues and annual budgetary expenses.

cash management: Control by the Bank of Canada of settlement balances through increases or decreases in the amount of cash balances supplied to LVTS participants in relation to the amount demanded in order to reinforce the Bank's target interest rate.

compound interest bond (C-bond): A Canada Savings Bond or Canada Premium Bond on which interest accrues and is compounded annually to maturity or until redeemed.

Exchange Fund Account: A fund maintained by the Government of Canada for the purpose of promoting order and stability of the Canadian dollar in the foreign exchange market. This function is fulfilled by purchasing foreign exchange (selling Canadian dollars) when there is upward pressure on the value of the Canadian dollar and selling foreign exchange (buying Canadian dollars) when there is downward pressure on the currency.

financial source/requirement: Measures the difference between the cash coming in to the Government and the cash going out. In the case of a financial requirement, it is the amount of new borrowing required from outside lenders to meet the Government's financing needs in any given year.

foreign exchange reserves: Stocks of foreign exchange assets (e.g. interest-earning bonds) held by sovereign states to support the value of the domestic currency. Canada's foreign exchange reserves are held in the Exchange Fund Account.

Government of Canada securities auction: A process used for selling Government of Canada debt securities (mostly marketable bonds and Treasury bills) in which issues are sold by public tender to government securities distributors.

government securities distributors (GSDs): Members of a group of investment dealers and banks through which the Government distributes Government of Canada Treasury bills and marketable bonds.

inflation: A persistent rise over time in the average price of goods and services.

interest-bearing debt: Consists of unmatured debt, or market debt, and the Government's liabilities to internally held accounts such as federal employees' pension plans.

Large Value Transfer System (LVTS): An electronic system for the transfer of large-value or time-critical payments.

marketable bond: A Canadian government debt security that is non-cashable prior to maturity, but whose ownership may be transferred from one holder to another on the open market.

marketable debt: Market debt that is issued by the Government of Canada and sold via public tender or syndication. These issues can be traded between investors while outstanding.

monetary policy: A policy that seeks to improve the performance of the economy by regulating money supply and credit.

money market: The market in which short-term capital is raised, invested and traded using financial instruments such as Treasury bills, bankers' acceptances, commercial paper, and bonds maturing in one year or less.

offer: Price at which a seller is willing to sell.

overnight rate; overnight financing rate; overnight money market rate; overnight lending rate: The rate at which major participants in the money market borrow and lend one-day funds to each other.

primary dealers (PDs): Members of the core group of government securities distributors that maintain a certain threshold of activity in the market for Government of Canada securities. The primary dealer classification can be attained in either Treasury bills or marketable bonds, or both.

primary market: The market in which securities are initially sold or offered.

regular interest bond (R-bond): A Canada Savings Bond or Canada Premium Bond on which interest is paid annually by cheque or by direct deposit to maturity or until redeemed.

repo; repurchase agreement: A transaction in which a party sells a security and simultaneously agrees to repurchase it at a given price after a specified time.

secondary market: The market in which previously issued securities are traded, as distinguished from the new issue or primary market.

turnover ratio: Volume of securities traded as a percentage of securities outstanding.

yield curve: The levels of interest rates from short- to long-term maturities.

Annex 4—Contact Information

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Reference Table I

Gross Public Debt, Outstanding Market Debt and Debt Charges

	Gross public debt				Outstanding market debt			
Fiscal years	Outstanding	Fixed-rate portion[1]	Average fixed-rate portion[2]	Total debt charges	Outstanding[3]	Fixed-rate portion	Total debt charges	Average interest rate
	($ billions)	(%)	(%)	($ billions)	($ billions)	(%)	($ billions)	(%)
1985–86	321.5	51.9	0	27.7	202.3	36.7	20.7	10.66
1986–87	357.2	50.9	0	28.7	229.7	36.9	21.5	9.34
1987–88	390.3	51.2	0	31.2	251.9	38.2	23.1	9.61
1988–89	423.8	49.6	0	35.5	277.4	37.2	26.5	10.82
1989–90	451.8	49.9	0	41.2	295.7	38.1	31.4	11.20
1990–91	490.3	50.4	0	45.0	325.0	38.5	34.3	10.72
1991–92	526.9	50.7	0	43.9	353.0	38.9	32.4	8.86
1992–93	566.0	50.4	0	41.3	383.9	39.0	29.4	7.88
1993–94	610.7	53.3	0	40.1	415.1	42.7	28.0	6.75
1994–95	651.6	55.1	0	44.2	442.8	44.4	31.4	7.97
1995–96	694.6	56.9	0	49.4	471.4	47.9	35.3	7.34
1996–97	711.9	61.7	0	47.3	478.8	53.8	33.0	6.66
1997–98	713.4	63.7	0	43.1	469.2	56.8	31.0	6.64
1998–99	717.7	64.5	66.6	43.3	463.0	58.5	30.8	6.70
1999–00	716.3	66.5	66.6	43.4	459.0	59.1	30.5	6.15
2000–01	715.0	67.8	67.6	43.9	449.0	60.5	30.7	6.11
2001–02	704.3	67.4	67.6	39.7	444.9	60.1	27.4	5.56
2002–03	700.1	65.8	65.8	37.3	442.4	61.2	25.2	5.32
2003–04	701.1	63.8	64.4	35.7	440.2	58.7	23.4	4.91

[1] For interest-bearing debt as of March 31. Calculation methodology may vary slightly from year to year. The definition of interest-bearing debt has changed slightly in 2002–03 to reflect the adoption of the full accrual basis of accounting.

[2] Average over the year. Comparative figures for prior years are not available.

[3] Includes capital lease obligations.

Sources: *Public Accounts of Canada*, *Bank of Canada Review*, Department of Finance estimates.

Reference Table II

Government of Canada Outstanding Market Debt

Fiscal years	Payable in Canadian dollars					Payable in foreign currencies						Total market debt
	Treasury bills	Marketable bonds	Retail debt	CPP bonds	Total	Marketable bonds	Canada bills	Canada notes[1]	Standby drawings	Term loans	Total	
	(C$ millions)											
1977–78	11,295	21,645	18,036	84	51,060	181	0	0	850	0	1,031	51,664
1978–79	13,535	26,988	19,443	96	60,062	3,319	0	0	2,782	1,115	7,216	66,640
1979–80	16,325	33,387	18,182	113	68,007	3,312	0	0	359	1,030	4,701	72,021
1980–81	21,770	40,976	15,966	136	78,848	3,236	0	0	355	1,046	4,637	83,138
1981–82	19,375	43,605	25,108	154	88,242	3,867	0	0	0	550	4,417	93,167
1982–83	29,125	48,473	32,753	171	110,522	4,872	0	0	0	362	5,234	116,562
1983–84	41,700	56,976	38,403	189	137,268	4,306	0	0	510	398	5,214	142,901
1984–85	52,300	69,354	42,167	205	164,026	4,972	0	0	1,909	1,172	8,053	172,719
1985–86	61,950	81,163	44,607	445	188,165	9,331	0	0	2,233	2,247	13,811	201,229
1986–87	76,950	94,520	43,854	1,796	217,120	9,120	1,045	0	0	2,047	12,212	228,611
1987–88	81,050	103,899	52,558	2,492	239,999	8,438	1,045	0	0	2,257	11,740	250,809
1988–89	102,700	115,748	47,048	3,005	268,501	6,672	1,131	0	0	934	8,737	276,301
1989–90	118,550	127,681	40,207	3,072	289,510	4,364	1,446	0	0	0	5,810	294,562
1990–91	139,150	143,601	33,782	3,492	320,025	3,555	1,008	0	0	0	4,563	323,903
1991–92	152,300	158,059	35,031	3,501	348,891	3,535	0	0	0	0	3,535	351,885
1992–93	162,050	178,436	33,884	3,505	377,875	2,926	2,552	0	0	0	5,478	382,741
1993–94	166,000	203,373	30,866	3,497	403,736	5,019	5,649	0	0	0	10,668	413,975
1994–95	164,450	225,513	30,756	3,488	424,207	7,875	9,046	0	0	0	16,921	440,998
1995–96	166,100	252,411	30,801	3,478	452,790	9,514	6,986	310	0	0	16,810	469,547
1996–97	135,400	282,059	32,911	3,468	453,838	12,460	8,436	2,121	0	0	23,017	476,852
1997–98	112,300	293,987	30,302	3,456	440,045	14,590	9,356	3,176	0	0	27,122	467,291
1998–99	96,950	294,914	28,810	4,063	424,737	19,655	10,171	6,182	0	0	36,008	460,427
1999–00	99,850	293,250	27,115	3,427	423,642	21,464	6,008	5,168	0	0	32,640	456,406
2000–01	88,700	293,879	26,457	3,404	412,440	20,509	7,228	5,695	0	0	33,432	445,724
2001–02	94,200	292,910	24,229	3,386	414,725	19,652	3,355	4,405	0	0	27,412	442,137
2002–03	104,600	286,289	22,878	3,369	417,136	14,412	2,603	4,533	0	0	21,548	436,684
2003–04	113,400	276,022	21,521	3,351	414,294	20,523	3,364	1,085	0	0	24,972	439,266

Note: Subcategorization of Government of Canada debt is in accordance with Bank of Canada reports, which may vary slightly from Public Accounts categories due to differences in classification methods. The total outstanding market debt may not equal the sum of the parts due to slight differences between the Bank of Canada's and Department of Finance's numbers.

[1] Includes EMTNs.

Sources: *Bank of Canada Review*, Department of Finance.

Reference Table III

Average Weekly Domestic Market Trading in Government of Canada Securities, April 2003 to March 2004

		Marketable bonds					
	Treasury bills	3 years and under	3 to 10 years	Over 10 years	Real return bonds	Total marketable bonds	Total
				($ millions)			
April 2003	22,555	35,109	36,682	6,871	377	79,039	101,594
May 2003	20,535	37,425	41,998	10,732	303	90,458	110,993
June 2003	22,976	39,559	54,823	9,430	468	104,280	127,256
July 2003	24,091	34,857	53,167	7,920	332	96,276	120,367
August 2003	22,738	29,844	41,307	6,514	228	77,893	100,631
September 2003	24,686	39,767	39,831	6,231	267	86,096	110,782
October 2003	23,631	35,954	39,675	7,645	299	83,573	107,204
November 2003	23,744	32,658	37,109	7,562	212	77,541	101,285
December 2003	27,154	26,908	33,554	6,040	453	66,955	94,109
January 2004	25,009	38,429	42,207	10,718	477	91,831	116,840
February 2004	26,511	38,920	42,681	8,033	392	90,026	116,537
March 2004	27,671	36,903	45,891	8,777	343	91,914	119,585

Source: Bank of Canada, *Banking and Financial Statistics*.

Reference Table IV

Distribution of Domestic Holdings of Government of Canada Securities

PART A —Treasury Bills, Canada Bills, Bonds,[1] Canada Savings Bonds and Canada Premium Bonds

Year end	Persons and unincorporated businesses	Non-financial corporations	Bank of Canada	Chartered banks	Quasi-banks[2]	Life insurance companies and pension funds	Public and other financial institutions[3]	All levels of government[4]	Foreign	Total[5]
					($ millions)					
1976	17,932	395	8,242	8,666	716	1,436	2,273	730	1,652	42,042
1977	20,277	321	10,268	9,601	1,048	2,271	3,114	1,014	2,185	50,099
1978	22,723	403	12,001	9,896	1,537	3,738	4,017	1,721	4,770	60,806
1979	23,144	374	13,656	10,156	1,684	6,716	4,103	2,878	5,956	68,667
1980	24,253	555	15,858	10,002	2,771	9,274	5,561	4,248	7,630	80,152
1981	33,425	520	17,100	10,003	2,452	10,569	5,342	4,194	9,102	92,707
1982	42,320	2,267	15,428	11,233	3,288	13,151	9,177	4,654	10,737	112,255
1983	50,306	5,502	16,859	15,107	5,551	17,816	9,984	5,321	12,091	138,537
1984	60,748	6,783	17,184	15,164	4,887	24,039	11,978	7,166	16,205	164,154
1985	74,331	7,387	15,668	15,198	5,706	31,068	15,086	10,106	21,608	196,158
1986	71,073	6,259	18,374	17,779	7,277	34,887	18,414	11,293	33,060	218,416
1987	83,732	8,591	20,201	16,012	6,400	38,870	19,547	13,918	36,462	243,733
1988	86,591	8,634	20,606	21,115	7,492	42,460	19,028	17,186	51,134	274,246
1989	81,566	11,402	21,133	20,804	9,854	48,037	23,950	17,840	61,707	296,293
1990	80,079	11,797	20,325	24,224	10,460	52,984	26,051	19,574	72,586	318,080
1991	72,945	11,580	22,370	35,792	12,091	57,846	33,054	21,015	82,553	349,246
1992	70,930	13,696	22,607	44,555	12,428	62,042	39,396	20,222	88,878	374,754
1993	61,221	10,359	23,498	60,242	11,229	69,917	45,321	18,397	108,847	409,031
1994	52,842	12,039	24,902	70,063	9,992	78,545	52,847	24,967	110,080	436,277
1995	48,867	12,048	23,590	76,560	10,947	87,467	59,044	26,324	116,543	461,390
1996	46,187	10,013	25,556	74,789	10,952	90,174	71,514	24,828	118,474	472,487
1997	39,924	10,470	27,198	67,715	7,054	94,991	79,445	25,509	112,865	465,171
1998	33,537	8,525	27,911	66,375	6,659	99,687	79,895	28,174	106,763	457,526
1999	37,118	9,290	29,075	54,080	7,944	108,656	81,257	28,394	102,263	458,077
2000	33,259	9,062	31,726	58,269	2,842	108,752	73,911	30,280	91,477	439,578
2001	33,979	7,643	37,204	65,396	3,561	99,744	76,482	34,341	80,974	439,324
2002	22,860	8,417	38,859	66,057	3,307	97,463	81,521	33,436	88,237	440,157
2003	21,455	7,827	40,398	67,434	3,605	101,096	85,176	38,184	68,065	433,240

Reference Table IV *(cont'd)*

Distribution of Domestic Holdings of Government of Canada Securities

PART B —Treasury Bills, Canada Bills, Bonds,[1] and Canada Savings Bonds and Canada Premium Bonds

Year end	Persons and unincorporated businesses	Non-financial corporations	Bank of Canada	Chartered banks	Quasi-banks[2]	Life insurance companies and pension funds	Public and other financial institutions[3]	All levels of government[4]	Foreign	Total
						(%)				
1976	42.65	0.94	19.60	20.61	1.70	3.42	5.41	1.74	3.93	100.00
1977	40.47	0.64	20.50	19.16	2.09	4.53	6.22	2.02	4.36	100.00
1978	37.37	0.66	19.74	16.27	2.53	6.15	6.61	2.83	7.84	100.00
1979	33.70	0.54	19.89	14.79	2.45	9.78	5.98	4.19	8.67	100.00
1980	30.26	0.69	19.78	12.48	3.46	11.57	6.94	5.30	9.52	100.00
1981	36.05	0.56	18.45	10.79	2.64	11.40	5.76	4.52	9.82	100.00
1982	37.70	2.02	13.74	10.01	2.93	11.72	8.18	4.15	9.56	100.00
1983	36.31	3.97	12.17	10.90	4.01	12.86	7.21	3.84	8.73	100.00
1984	37.01	4.13	10.47	9.24	2.98	14.64	7.30	4.37	9.87	100.00
1985	37.89	3.77	7.99	7.75	2.91	15.84	7.69	5.15	11.02	100.00
1986	32.54	2.87	8.41	8.14	3.33	15.97	8.43	5.17	15.14	100.00
1987	34.35	3.52	8.29	6.57	2.63	15.95	8.02	5.71	14.96	100.00
1988	31.57	3.15	7.51	7.70	2.73	15.48	6.94	6.27	18.65	100.00
1989	27.53	3.85	7.13	7.02	3.33	16.21	8.08	6.02	20.83	100.00
1990	25.18	3.71	6.39	7.62	3.29	16.66	8.19	6.15	22.82	100.00
1991	20.89	3.32	6.41	10.25	3.46	16.56	9.46	6.02	23.64	100.00
1992	18.93	3.65	6.03	11.89	3.32	16.56	10.51	5.40	23.72	100.00
1993	14.97	2.53	5.74	14.73	2.75	17.09	11.08	4.50	26.61	100.00
1994	12.11	2.76	5.71	16.06	2.29	18.00	12.11	5.72	25.23	100.00
1995	10.59	2.61	5.11	16.59	2.37	18.96	12.80	5.71	25.26	100.00
1996	9.78	2.12	5.41	15.83	2.32	19.08	15.14	5.25	25.07	100.00
1997	8.58	2.25	5.85	14.56	1.52	20.42	17.08	5.48	24.26	100.00
1998	7.33	1.86	6.10	14.51	1.46	21.79	17.46	6.16	23.33	100.00
1999	8.10	2.03	6.35	11.81	1.73	23.72	17.74	6.20	22.32	100.00
2000	7.57	2.06	7.22	13.26	0.65	24.74	16.81	6.89	20.81	100.00
2001	7.73	1.74	8.47	14.89	0.81	22.70	17.41	7.82	18.43	100.00
2002	5.19	1.91	8.83	15.01	0.75	22.14	18.52	7.60	20.05	100.00
2003	5.10	1.80	9.31	15.54	0.83	23.30	19.63	8.80	15.69	100.00

Reference Table IV *(cont'd)*
Distribution of Domestic Holdings of Government of Canada Securities
PART C —Treasury Bills and Canada Bills

Year end	Persons and unincorporated businesses	Non-financial corporations	Bank of Canada	Chartered banks	Quasi-banks[1]	Life insurance companies and pension funds	Public and other financial institutions[2]	All levels of government[3]	Total
				($ millions)					
1976	171	125	1,964	4,219	52	44	515	193	7,283
1977	394	136	2,461	4,949	143	98	1,020	311	9,512
1978	576	198	3,567	5,517	193	261	1,554	519	12,385
1979	785	165	4,345	6,690	65	245	1,550	843	14,688
1980	1,493	288	5,317	7,500	619	460	2,431	1,512	19,620
1981	1,019	369	5,431	8,597	343	560	2,187	1,082	19,588
1982	1,237	1,930	2,483	10,034	1,357	1,244	5,008	1,199	24,492
1983	3,766	5,146	2,595	12,879	3,180	2,587	5,376	1,286	36,815
1984	7,454	6,275	3,515	12,997	2,792	3,876	6,544	2,498	45,951
1985	13,340	6,517	3,985	12,629	3,651	3,924	8,129	4,136	56,311
1986	16,158	4,875	7,967	15,161	4,709	3,592	10,164	3,416	66,042
1987	17,733	7,232	9,682	11,498	3,725	4,806	9,589	5,002	69,267
1988	20,213	7,414	9,945	15,224	5,614	7,648	9,133	7,726	82,917
1989	29,156	9,668	11,124	17,410	8,116	9,664	12,908	9,251	107,297
1990	36,461	10,756	10,574	17,841	8,976	11,737	13,298	9,388	119,031
1991	30,423	10,437	13,093	24,382	9,089	12,386	17,636	10,417	127,863
1992	32,901	11,254	14,634	27,989	9,646	13,639	19,907	8,726	138,696
1993	27,459	9,657	16,876	29,901	9,222	17,085	22,336	7,151	139,687
1994	17,562	8,499	18,973	30,415	6,879	14,376	22,021	10,631	129,356
1995	16,296	9,204	18,298	30,865	7,760	15,315	25,183	10,603	133,524
1996	10,474	8,285	17,593	23,470	5,493	13,520	32,752	6,264	117,851
1997	5,966	6,858	14,233	19,448	3,133	8,944	32,653	3,803	95,038
1998	1,291	6,215	10,729	16,713	2,392	4,529	32,508	3,578	77,955
1999	8,539	6,662	8,584	9,814	3,234	8,128	36,932	3,497	85,390
2000	7,568	6,735	8,090	6,188	685	7,222	31,087	5,108	72,683
2001	8,744	6,990	11,427	9,969	675	10,401	37,154	6,838	92,198
2002	551	5,894	11,639	18,869	708	12,768	40,087	7,115	97,631
2003	987	5,268	11,733	26,150	863	15,196	40,843	7,647	108,687

Reference Table IV *(cont'd)*
Distribution of Domestic Holdings of Government of Canada Securities
PART D—Treasury Bills and Canada Bills

Year end	Persons and unincorporated businesses	Non-financial corporations	Bank of Canada	Chartered banks	Quasi-banks	Life insurance companies and pension funds	Public and other financial institutions	All levels of government	Total
					(%)				
1976	2.35	1.72	26.97	57.93	0.71	0.60	7.07	2.65	100.00
1977	4.14	1.43	25.87	52.03	1.50	1.03	10.72	3.27	100.00
1978	4.65	1.60	28.80	44.55	1.56	2.11	12.55	4.19	100.00
1979	5.34	1.12	29.58	45.55	0.44	1.67	10.55	5.74	100.00
1980	7.61	1.47	27.10	38.23	3.15	2.34	12.39	7.71	100.00
1981	5.20	1.88	27.73	43.89	1.75	2.86	11.16	5.52	100.00
1982	5.05	7.88	10.14	40.97	5.54	5.08	20.45	4.90	100.00
1983	10.23	13.98	7.05	34.98	8.64	7.03	14.60	3.49	100.00
1984	16.22	13.66	7.65	28.28	6.08	8.44	14.24	5.44	100.00
1985	23.69	11.57	7.08	22.43	6.48	6.97	14.44	7.34	100.00
1986	24.47	7.38	12.06	22.96	7.13	5.44	15.39	5.17	100.00
1987	25.60	10.44	13.98	16.60	5.38	6.94	13.84	7.22	100.00
1988	24.38	8.94	11.99	18.36	6.77	9.22	11.01	9.32	100.00
1989	27.17	9.01	10.37	16.23	7.56	9.01	12.03	8.62	100.00
1990	30.63	9.04	8.88	14.99	7.54	9.86	11.17	7.89	100.00
1991	23.79	8.16	10.24	19.07	7.11	9.69	13.79	8.15	100.00
1992	23.72	8.11	10.55	20.18	6.95	9.83	14.35	6.29	100.00
1993	19.66	6.91	12.08	21.41	6.60	12.23	15.99	5.12	100.00
1994	13.58	6.57	14.67	23.51	5.32	11.11	17.02	8.22	100.00
1995	12.20	6.89	13.70	23.12	5.81	11.47	18.86	7.94	100.00
1996	8.89	7.03	14.93	19.91	4.66	11.47	27.79	5.32	100.00
1997	6.28	7.22	14.98	20.46	3.30	9.41	34.36	4.00	100.00
1998	1.66	7.97	13.76	21.44	3.07	5.81	41.70	4.59	100.00
1999	10.00	7.80	10.05	11.49	3.79	9.52	43.25	4.10	100.00
2000	10.41	9.27	11.13	8.51	0.94	9.94	42.77	7.03	100.00
2001	9.48	7.58	12.39	10.81	0.73	11.28	40.30	7.42	100.00
2002	0.56	6.04	11.92	19.33	0.73	13.08	41.06	7.29	100.00
2003	0.91	4.85	10.80	24.06	0.79	13.98	37.58	7.04	100.00

Reference Table IV *(cont'd)*
Distribution of Domestic Holdings of Government of Canada Securities
PART E—Bonds[1]

Year end	Persons and unincorporated businesses	Non-financial corporations	Bank of Canada	Chartered banks	Quasi-banks	Life insurance companies and pension funds	Public and other financial institutions	All levels of government	Total
					($ millions)				
1976	17,761	270	6,278	4,447	664	1,392	1,758	537	33,107
1977	19,883	185	7,807	4,652	905	2,173	2,094	703	38,402
1978	22,147	205	8,434	4,379	1,344	3,477	2,463	1,202	43,651
1979	22,359	209	9,311	3,466	1,619	6,471	2,553	2,035	48,023
1980	22,760	267	10,541	2,502	2,152	8,814	3,130	2,736	52,902
1981	32,406	151	11,669	1,406	2,109	10,009	3,155	3,112	64,017
1982	41,083	337	12,945	1,199	1,931	11,907	4,169	3,455	77,026
1983	46,540	356	14,264	2,228	2,371	15,229	4,608	4,035	89,631
1984	53,294	508	13,669	2,167	2,095	20,163	5,434	4,668	101,998
1985	60,991	870	11,683	2,569	2,055	27,144	6,957	5,970	118,239
1986	54,915	1,384	10,407	2,618	2,568	31,295	8,250	7,877	119,314
1987	65,999	1,359	10,519	4,514	2,675	34,064	9,958	8,916	138,004
1988	66,378	1,220	10,661	5,891	1,878	34,812	9,895	9,460	140,195
1989	52,410	1,734	10,009	3,394	1,738	38,373	11,042	8,589	127,289
1990	43,618	1,041	9,751	6,383	1,484	41,247	12,753	10,186	126,463
1991	42,522	1,143	9,277	11,410	3,002	45,460	15,418	10,598	138,830
1992	38,029	2,442	7,973	16,566	2,782	48,403	19,489	11,496	147,180
1993	33,762	702	6,622	30,341	2,007	52,832	22,985	11,246	160,497
1994	35,280	3,540	5,929	39,648	3,113	64,169	30,826	14,336	196,841
1995	32,571	2,844	5,292	45,695	3,187	72,152	33,861	15,721	211,323
1996	35,713	1,728	7,963	51,319	5,459	76,654	38,762	18,564	236,162
1997	33,958	3,612	12,965	48,267	3,921	86,047	46,792	21,706	257,268
1998	32,246	2,310	17,182	49,662	4,267	95,158	47,387	24,596	272,808
1999	28,579	2,628	20,491	44,266	4,710	100,528	44,325	24,897	270,424
2000	25,691	2,327	23,636	52,081	2,157	101,530	42,824	25,172	275,418
2001	25,235	653	25,777	55,427	2,886	89,343	39,328	27,503	266,152
2002	22,309	2,523	27,220	47,188	2,599	84,695	41,434	26,321	254,289
2003	20,468	2,559	28,665	41,284	2,742	85,900	44,333	30,537	256,488

Reference Table IV *(cont'd)*

Distribution of Domestic Holdings of Government of Canada Securities

PART F—Bonds[1]

Year end	Persons and unincorporated businesses	Non-financial corporations	Bank of Canada	Chartered banks	Quasi-banks[2]	Life insurance companies and pension funds	Public and other financial institutions[3]	All levels of government[4]	Total[5]
					(%)				
1976	53.65	0.82	18.96	13.43	2.01	4.20	5.31	1.62	100.00
1977	51.78	0.48	20.33	12.11	2.36	5.66	5.45	1.83	100.00
1978	50.74	0.47	19.32	10.03	3.08	7.97	5.64	2.75	100.00
1979	46.56	0.44	19.39	7.22	3.37	13.47	5.32	4.24	100.00
1980	43.02	0.50	19.93	4.73	4.07	16.66	5.92	5.17	100.00
1981	50.62	0.24	18.23	2.20	3.29	15.63	4.93	4.86	100.00
1982	53.34	0.44	16.81	1.56	2.51	15.46	5.41	4.49	100.00
1983	51.92	0.40	15.91	2.49	2.65	16.99	5.14	4.50	100.00
1984	52.25	0.50	13.40	2.12	2.05	19.77	5.33	4.58	100.00
1985	51.58	0.74	9.88	2.17	1.74	22.96	5.88	5.05	100.00
1986	46.03	1.16	8.72	2.19	2.15	26.23	6.91	6.60	100.00
1987	47.82	0.98	7.62	3.27	1.94	24.68	7.22	6.46	100.00
1988	47.35	0.87	7.60	4.20	1.34	24.83	7.06	6.75	100.00
1989	41.17	1.36	7.86	2.67	1.37	30.15	8.67	6.75	100.00
1990	34.49	0.82	7.71	5.05	1.17	32.62	10.08	8.05	100.00
1991	30.63	0.82	6.68	8.22	2.16	32.75	11.11	7.63	100.00
1992	25.84	1.66	5.42	11.26	1.89	32.89	13.24	7.81	100.00
1993	21.04	0.44	4.13	18.90	1.25	32.92	14.32	7.01	100.00
1994	17.92	1.80	3.01	20.14	1.58	32.60	15.66	7.28	100.00
1995	15.41	1.35	2.50	21.62	1.51	34.14	16.02	7.44	100.00
1996	15.12	0.73	3.37	21.73	2.31	32.46	16.41	7.86	100.00
1997	13.20	1.40	5.04	18.76	1.52	33.45	18.19	8.44	100.00
1998	11.82	0.85	6.30	18.20	1.56	34.88	17.37	9.02	100.00
1999	10.57	0.97	7.58	16.37	1.74	37.17	16.39	9.21	100.00
2000	9.33	0.84	8.58	18.91	0.78	36.86	15.55	9.14	100.00
2001	9.48	0.25	9.69	20.83	1.08	33.57	14.78	10.33	100.00
2002	8.77	0.99	10.70	18.56	1.02	33.31	16.29	10.35	100.00
2003	7.98	1.00	11.18	16.10	1.07	33.49	17.28	11.91	100.00

Note: Because of timing and valuation differences, The National Balance Sheet Accounts data contained in this table are not necessarily on the same basis as other data elsewhere in this publication (most of the data in this report are on a par-value basis—that is, outstanding securities are valued at par). For this reason, although the two sets of data yield very similar information, the data in this table are not strictly comparable with other data in this publication.

[1] Includes bonds denominated in foreign currencies.

[2] Includes Quebec savings banks, credit unions and caisses populaires, trust companies and mortgage loan companies.

[3] Includes investment dealers, mutual funds, property and casualty insurance companies, sales, finance and consumer loan companies, accident and sickness branches of life insurance companies, other private financial institutions (not elsewhere included), federal public financial institutions, and provincial financial institutions.

[4] Includes Government of Canada holdings of its own debt, provincial, municipal and hospital holdings, and holdings of the Canada Pension Plan and the Quebec Pension Plan.

[5] May not add due to rounding.

Source: Statistics Canada, *The National Balance Sheet Accounts*.

Reference Table V
Non-Resident (Direct) Holdings of Government of Canada Debt

As at March 31	Marketable bonds[1]	Treasury bills and Canada bills	Total	Total as per cent of total market debt[2]
		(C$ billions)		(%)
1979	5.0	0.9	5.9	
1980	5.6	0.7	6.3	
1981	6.8	1.1	7.9	
1982	8.8	1.1	9.9	
1983	10.0	1.6	11.6	
1984	10.3	2.6	12.9	
1985	14.5	4.6	19.1	
1986	22.1	3.0	25.1	12.4
1987	30.3	4.7	35.0	15.2
1988	33.0	9.3	42.3	16.8
1989	41.3	15.7	57.0	20.5
1990	49.9	13.3	63.2	21.4
1991	57.6	16.1	73.7	22.7
1992	63.6	23.0	86.6	24.5
1993	80.1	28.3	108.4	28.2
1994	79.3	34.0	113.3	27.3
1995	73.7	39.2	112.9	25.5
1996	84.1	37.7	121.8	25.8
1997	91.8	27.7	119.4	24.9
1998	94.3	20.0	114.3	24.4
1999	86.6	19.4	106.0	22.9
2000	85.7	14.2	99.9	21.8
2001	83.5	10.5	94.0	20.9
2002	74.0	7.4	81.4	18.3
2003	80.7	8.5	89.2	20.2
2004	57.0	9.2	66.2	15.0

Note: Numbers may not add due to rounding.

[1] Includes bonds denominated in foreign currencies.

[2] Includes capital lease obligations. For the 1979–1985 period, market debt data (includes capital leases) is unavailable.

Source: Statistics Canada, *Canada's International Transactions in Securities*.

Reference Table VI

Fiscal 2003–04 Treasury Bill Program

Settlement date	Maturing					New issues					Net increment			Average tender yields			
	CMB[1]	3 mo	6 mo	12 mo	Total	CMB[1]	3 mo	6 mo	12 mo	Total	Total	Cumulative	O/S[2]	CMB[1]	3 mo	6 mo	12 mo
	($ millions)													(%)			
10-Apr-2003	4,000	3,800	3,800		11,600	4,100	1,700	1,700	7,500	-4,100	-4,100	100,500			3.19	3.36	3.62
24-Apr-2003		4,100		3,800	7,900	4,700	1,900	1,900	8,500	600	-3,500	101,100			3.24	3.36	3.55
8-May-2003		4,700	3,900		8,600	4,700	1,900	1,900	8,500	-100	-3,600	101,000			3.22	3.35	3.55
22-May-2003		4,100		3,800	7,900	3,000	5,000	2,000	2,000	12,000	4,100	500	105,100	3.22	3.20	3.32	3.43
29-May-2003					0	2,000				2,000	2,000	2,500	107,100	3.19			
5-Jun-2003	3,000	4,700	3,500		11,200	5,000	2,000	2,000	9,000	-2,200	300	104,900			3.15	3.19	3.17
19-Jun-2003		4,700		3,700	8,400	5,000	2,000	2,000	9,000	600	900	105,500			3.13	3.08	2.97
26-Jun-2003					0	2,000				2,000	2,000	2,900	107,500	3.08			
3-Jul-2003	2,000	4,700	3,300		10,000	5,000	2,000	2,000	9,000	-1,000	1,900	106,500			3.08	3.04	2.99
17-Jul-2003		4,100		3,700	7,800	5,300	2,100	2,100	9,500	1,700	3,600	108,200			2.87	2.89	2.89
29-Jul-2003					0	1,000				1,000	1,000	4,600	109,200	2.95			
31-Jul-2003		4,700	3,600		8,300	5,300	2,100	2,100	9,500	1,200	5,800	110,400			2.81	2.72	2.69
5-Aug-2003	1,000				1,000					0	-1,000	4,800	109,400				
14-Aug-2003	2,000	4,700		3,600	10,300		5,300	2,100	2,100	9,500	-800	4,000	108,600		2.82	2.78	2.84
21-Aug-2003					0	3,000				3,000	3,000	7,000	111,600	2.79			
28-Aug-2003		5,000	3,800		8,800	2,000	5,300	2,100	2,100	11,500	2,700	9,700	114,300	2.91	2.70	2.74	2.85
4-Sep-2003	2,000				2,000					0	-2,000	7,700	112,300				
11-Sep-2003		5,000		3,600	8,600		5,000	2,000	2,000	9,000	400	8,100	112,700		2.65	2.68	2.80
25-Sep-2003	3,000	5,000	3,600		11,600	1,500	5,300	2,100	2,100	11,000	-600	7,500	112,100	2.69	2.60	2.59	2.67
2-Oct-2003	1,500				1,500					0	-1,500	6,000	110,600				
9-Oct-2003		5,000		3,800	8,800		5,000	2,000	2,000	9,000	200	6,200	110,800		2.59	2.62	2.68
23-Oct-2003		5,300	3,800		9,100		5,300	2,100	2,100	9,500	400	6,600	111,200		2.65	2.70	2.83
29-Oct-2003					0	500				500	500	7,100	111,700	2.63			

Reference Table VI *(cont'd)*
Fiscal 2003–04 Treasury Bill Program

Settlement date	Maturing					New issues					Net increment			Average tender yields			
	CMB[1]	3 mo	6 mo	12 mo	Total	CMB[1]	3 mo	6 mo	12 mo	Total	Total	Cumulative	O/S[2]	CMB[1]	3 mo	6 mo	12 mo
	($ millions)													(%)			
6-Nov-2003	500	5,300		3,900	9,700		5,600	2,200	2,200	10,000	300	7,400	112,000		2.66	2.67	2.81
20-Nov-2003		5,300	4,000		9,300	3,000	5,900	2,300	2,300	13,500	4,200	11,600	116,200	2.73	2.71	2.77	2.93
26-Nov-2003					0	2,000				2,000	2,000	13,600	118,200	2.68			
27-Nov-2003					0	1,250				1,250	1,250	14,850	119,450	2.69			
4-Dec-2003	1,250	5,300		3,500	10,050		5,300	2,100	2,100	9,500	-550	14,300	118,900		2.68	2.71	2.86
18-Dec-2003	3,000	5,000	4,000		12,000	1,500	5,000	2,000	2,000	10,500	-1,500	12,800	117,400	2.69	2.64	2.63	2.68
30-Dec-2003		5,300		3,300	8,600		4,400	1,800	1,800	8,000	-600	12,200	116,800		2.59	2.59	2.63
5-Jan-2004	1,500				1,500					0	-1,500	10,700	115,300				
7-Jan-2004	2,000				2,000					0	-2,000	8,700	113,300				
15-Jan-2004		5,000	4,200		9,200		3,800	1,600	1,600	7,000	-2,200	6,500	111,100		2.47	2.47	2.50
28-Jan-2004					0	1,000				1,000	1,000	7,500	112,100	2.44			
29-Jan-2004		5,300		3,600	8,900		3,800	1,600	1,600	7,000	-1,900	5,600	110,200		2.26	2.26	2.25
2-Feb-2004	1,000				1,000					0	-1,000	4,600	109,200				
12-Feb-2004		5,600	4,200		9,800		4,400	1,800	1,800	8,000	-1,800	2,800	107,400		2.23	2.23	2.25
26-Feb-2004		5,900		3,800	9,700		5,000	2,000	2,000	9,000	-700	2,100	106,700		2.13	2.14	2.17
11-Mar-2004		5,300	4,100		9,400		5,600	2,200	2,200	10,000	600	2,700	107,300		2.10	2.10	2.11
18-Mar-2004					0	1,200				1,200	1,200	3,900	108,500	2.16			
25-Mar-2004		5,000		3,600	8,600	2,500	5,600	2,200	2,200	12,500	3,900	7,800	112,400	2.16	1.99	1.98	2.01
29-Mar-2004					0	1,000				1,000	1,000	8,800	113,400	2.22			
Total	**27,750**	**127,900**	**49,800**	**47,700**	**253,150**	**28,450**	**129,700**	**51,900**	**51,900**	**261,950**	**8,800**						

[1] Cash management bill.
[2] Outstanding.
Source: Bank of Canada.

Reference Table VII

Fiscal 2003–04 Treasury Bill Auction Results

Auction date	Term	Issue amount	Average price	Average yield	Bid coverage	Tail
	(months)	($ millions)	($)	(%)		(basis points)
8-Apr-2003	12	1,700	96.641	3.625	2.344	0.4
8-Apr-2003	3	4,100	99.151	3.190	2.292	0.5
8-Apr-2003	6	1,700	98.478	3.358	2.187	0.5
22-Apr-2003	12	1,900	96.577	3.554	1.958	0.6
22-Apr-2003	3	4,700	99.137	3.241	2.242	0.5
22-Apr-2003	6	1,900	98.350	3.365	1.986	0.5
6-May-2003	12	1,900	96.710	3.548	1.987	0.6
6-May-2003	3	4,700	99.143	3.218	2.285	0.2
6-May-2003	6	1,900	98.481	3.352	2.462	0.2
20-May-2003	12	2,000	96.692	3.431	2.051	0.4
20-May-2003	3	5,000	99.149	3.197	2.177	0.5
20-May-2003	6	2,000	98.374	3.315	2.175	1.0
21-May-2003	C [1]	3,000	99.877	3.221	1.841	1.9
28-May-2003	C	2,000	99.695	3.191	2.168	0.9
3-Jun-2003	12	2,000	97.052	3.168	2.006	0.2
3-Jun-2003	3	5,000	99.160	3.155	1.947	0.5
3-Jun-2003	6	2,000	98.553	3.189	2.355	0.3
17-Jun-2003	12	2,000	97.124	2.969	1.924	0.6
17-Jun-2003	3	5,000	99.167	3.127	2.260	0.3
17-Jun-2003	6	2,000	98.489	3.077	2.254	0.5
25-Jun-2003	C	2,000	99.589	3.076	2.304	0.4
2-Jul-2003	12	2,000	97.210	2.993	1.689	0.7
2-Jul-2003	3	5,000	99.181	3.077	2.181	0.4
2-Jul-2003	6	2,000	98.618	3.044	2.153	0.4
15-Jul-2003	12	2,100	97.195	2.894	2.013	2.1
15-Jul-2003	3	5,300	99.236	2.869	2.217	1.0
15-Jul-2003	6	2,100	98.581	2.887	2.460	0.3
28-Jul-2003	C	1,000	99.943	2.949	2.128	3.1
29-Jul-2003	12	2,100	97.485	2.690	2.025	0.8
29-Jul-2003	3	5,300	99.252	2.808	1.963	0.7
29-Jul-2003	6	2,100	98.766	2.715	2.080	0.7
12-Aug-2003	12	2,100	97.246	2.840	1.992	0.6
12-Aug-2003	3	5,300	99.249	2.819	2.126	0.6
12-Aug-2003	6	2,100	98.633	2.779	2.048	0.3
21-Aug-2003	C	3,000	99.733	2.794	2.009	0.6
26-Aug-2003	12	2,100	97.337	2.853	2.120	0.7
26-Aug-2003	3	5,300	99.280	2.700	2.030	0.4
26-Aug-2003	6	2,100	98.754	2.741	2.519	0.3
28-Aug-2003	C	2,000	99.944	2.914	1.818	3.6
9-Sep-2003	12	2,000	97.279	2.805	2.116	0.5
9-Sep-2003	3	5,000	99.292	2.654	2.379	0.3
9-Sep-2003	6	2,000	98.679	2.684	2.060	0.6
23-Sep-2003	12	2,100	97.503	2.671	2.269	0.6
23-Sep-2003	3	5,300	99.322	2.597	2.042	0.6
23-Sep-2003	6	2,100	98.821	2.592	2.204	0.4
24-Sep-2003	C	1,500	99.948	2.689	2.027	1.1
7-Oct-2003	12	2,000	97.401	2.676	2.080	0.4
7-Oct-2003	3	5,000	99.308	2.595	2.291	0.2
7-Oct-2003	6	2,000	98.710	2.620	2.076	0.5
21-Oct-2003	12	2,100	97.355	2.833	2.079	0.6
21-Oct-2003	3	5,300	99.293	2.651	2.049	0.6
21-Oct-2003	6	2,100	98.773	2.699	2.128	0.5
28-Oct-2003	C	500	99.942	2.634	1.718	1.6
4-Nov-2003	12	2,200	97.272	2.812	2.258	0.3
4-Nov-2003	3	5,600	99.290	2.665	1.839	0.7
4-Nov-2003	6	2,200	98.685	2.673	1.893	0.3
18-Nov-2003	12	2,300	97.264	2.933	1.826	1.7
18-Nov-2003	3	5,900	99.277	2.714	1.994	0.5
18-Nov-2003	6	2,300	98.740	2.773	1.885	1.1
19-Nov-2003	C	3,000	99.791	2.726	1.946	0.7
25-Nov-2003	C	2,000	99.693	2.680	2.107	0.9
26-Nov-2003	C	1,250	99.948	2.687	1.821	1.3
2-Dec-2003	12	2,100	97.229	2.858	2.222	0.7
2-Dec-2003	3	5,300	99.285	2.681	2.015	0.6
2-Dec-2003	6	2,100	98.667	2.710	2.180	0.5
16-Dec-2003	12	2,000	97.492	2.683	2.148	1.2
16-Dec-2003	3	5,000	99.296	2.641	2.484	0.3
16-Dec-2003	6	2,000	98.806	2.626	2.267	0.4
17-Dec-2003	C	1,500	99.868	2.688	1.921	0.6
29-Dec-2003	12	1,800	97.429	2.632	2.024	0.7
29-Dec-2003	3	4,400	99.295	2.590	2.028	0.7
29-Dec-2003	6	1,800	98.721	2.585	2.224	0.7
13-Jan-2004	12	1,600	97.661	2.498	2.398	0.4
13-Jan-2004	3	3,800	99.341	2.472	2.238	0.3
13-Jan-2004	6	1,600	98.883	2.468	2.376	0.2
27-Jan-2004	12	1,600	97.806	2.249	2.460	0.4
27-Jan-2004	3	3,800	99.397	2.260	2.502	0.4
27-Jan-2004	6	1,600	98.887	2.258	2.475	0.4
28-Jan-2004	C	1,000	99.967	2.443	1.778	0.6
10-Feb-2004	12	1,800	97.892	2.246	2.446	0.9
10-Feb-2004	3	4,400	99.404	2.233	2.329	0.3
10-Feb-2004	6	1,800	98.982	2.234	2.509	0.3
24-Feb-2004	12	2,000	97.880	2.172	2.348	0.3
24-Feb-2004	3	5,000	99.431	2.133	2.063	0.4
24-Feb-2004	6	2,000	98.943	2.142	2.068	0.6
9-Mar-2004	12	2,200	98.017	2.110	1.737	0.8
9-Mar-2004	3	5,600	99.439	2.100	2.124	0.4
9-Mar-2004	6	2,200	99.043	2.099	2.303	0.4
18-Mar-2004	C	1,200	99.917	2.158	2.130	1.9
23-Mar-2004	12	2,200	98.039	2.006	2.325	0.4
23-Mar-2004	3	5,600	99.474	1.990	2.181	0.3
23-Mar-2004	6	2,200	99.024	1.976	2.259	0.2
25-Mar-2004	C	2,500	99.917	2.158	1.588	2.2
29-Mar-2004	C	1,000	99.982	2.222	1.805	3.3
Total		**261,950**				

Note: Coverage is defined as the ratio of total bids at auction to the amount auctioned. Tail is defined as the high accepted yield minus the average yield.

[1] Cash management bill.

Source: Bank of Canada.

Reference Table VIII

Fiscal 2003–04 Canadian-Dollar Marketable Bond Program

Offering date	Delivery date	Maturity date	Maturing	Gross	Bond repurchase	Net
				($ millions)		
Fixed-coupon bonds						
2003	**2003**					
April 9	April 14	June 1, 2033		300	293	7
April 24	April 29	September 1, 2008		400	410	-10
May 7	May 12	June 1, 2013		2,400	154	2,246
May 14	May 16	June 1, 2005		400	319	81
	June 2	*	7,097			-7,097
May 28	June 2	September 1, 2008		2,300	500	1,800
June 11	June 13	December 1, 2005		2,700	700	2,000
June 19	June 25	June 1, 2013		600	418	182
July 9	July 14	June 1, 2033		1,600	301	1,299
July 16	July 21	September 1, 2008		400	441	-41
July 30	August 1	December 1, 2005		300	185	115
August 6	August 11	June 1, 2013		2,400	81	2,319
August 20	August 25	June 1, 2033		300	299	1
	September 2	*	7,480			-7,480
August 27	September 2	September 1, 2008		2,300	500	1,800
September 17	September 19	December 1, 2005		2,500	247	2,253
September 25	September 30	June 1, 2013		600	464	136
	October 1	*	452			-452
October 8	October 14	September 1, 2008		400	392	8
October 15	October 20	June 1, 2014		2,400	364	2,036
November 5	November 10	June 1, 2033		210	199	11
	December 1	*	8,358			-8,358
November 26	December 1	September 1, 2009		2,300	600	1,700
December 10	December 15	June 1, 2014		407	488	-81
December 17	December 19	June 1, 2006		3,500	414	3,086
2004	**2004**					
January 14	January 19	June 1, 2033		1,500	105	1,395
January 21	January 26	September 1, 2009		400	473	-73
	February 2	*	929			-929
February 4,	February 9	June 1, 2014		2,300	354	1,946
February 11	February 13	June 1, 2006		138	100	38
February 18	February 23	September 1, 2009		2,200	155	2,045
February 25	March 1	June 1, 2033		300	289	11
March 10	March 12	June 1, 2006		3,500	696	2,804
March 17	March 22	June 1, 2014		361	221	140

Reference Table VIII *(cont'd)*
Fiscal 2003–04 Canadian-Dollar Marketable Bond Program

Offering date	Delivery date	Maturity date	Maturing	Gross	Bond repurchase	Net
				($ millions)		
Real return bonds						
2003	**2003**					
June 4	June 9	December 1, 2036		400		400
September 10	September 15	December 1, 2036		300		300
December 3	December 8	December 1, 2036		400		400
2004	**2004**					
March 3	March 8	December 1, 2036		300		300
Total fiscal year 2003–04			**24,317**	**40,816**	**10,162**	**6,337**

* Maturing date.

Source: Bank of Canada.

Reference Table IX

Fiscal 2003–04 Marketable Bond Auction Results

Auction date	Term (years)	Maturity date	Coupon rate (%)	Issue amount ($ millions)	Average price ($)	Average yield (%)	Auction coverage	Tail (basis points)
7-May-2003	10	1-Jun-2013	5.25	2,400	102.558	4.924	2.52	0.4
28-May-2003	5	1-Sep-2008	4.25	2,300	101.243	3.984	2.60	0.6
4-Jun-2003	30	1-Dec-2036	3.00*	400	101.810	2.915	2.91	
11-Jun-2003	2	1-Dec-2005	3.00	2,700	99.913	3.037	2.47	0.8
9-Jul-2003	30	1-Jun-2033	5.75	1,600	107.715	5.236	2.56	0.7
6-Aug-2003	10	1-Jun-2013	5.25	2,400	101.912	5.000	2.47	0.4
27-Aug-2003	5	1-Sep-2008	4.25	2,300	100.044	4.240	2.63	0.5
10-Sep-2003	30	1-Dec-2036	3.00*	300	98.239	3.085	2.69	
17-Sep-2003	2	1-Dec-2005	3.00	2,500	99.612	3.183	2.60	0.3
15-Oct-2003	10	1-Jun-2014	5.00	2,400	99.615	5.048	2.36	0.5
26-Nov-2003	5	1-Sep-2009	4.25	2,300	99.607	4.329	2.59	0.6
3-Dec-2003	30	1-Dec-2036	3.00*	400	101.793	2.915	2.72	
17-Dec-2003	2	1-Jun-2006	3.00	3,500	99.522	3.205	2.52	0.7
14-Jan-2004	30	1-Jun-2033	5.75	1,500	109.623	5.113	2.68	0.1
4-Feb-2004	10	1-Jun-2014	5.00	2,300	102.900	4.642	2.55	0.7
18-Feb-2004	5	1-Sep-2009	4.25	2,200	102.272	3.790	2.64	0.3
3-Mar-2004	30	1-Dec-2036	3.00*	300	111.177	2.498	3.09	
10-Mar-2004	2	1-Jun-2006	3.00	3,500	101.152	2.463	2.35	0.2
Total				**35,300**				

Note: Coverage is defined as the ratio of total bids at auction to the amount auctioned. Tail is defined as the high accepted yield minus the average yield.

* Real return bonds.

Source: Department of Finance.

Reference Table X

Outstanding Government of Canada Canadian-Dollar Marketable Bonds as at March 31, 2004

Maturity date	Amount ($ millions)	Coupon rate (%)	Maturity date	Amount ($ millions)	Coupon rate (%)
Fixed-coupon bonds					
01-Jun-04	1,703	3.50	01-Oct-08	401	11.75
01-Jun-04	7,770	6.50	01-Mar-09	149	11.50
01-Jun-04	541	13.50	01-Jun-09	9,145	5.50
01-Sep-04	8,886	5.00	01-Jun-09	641	11.00
01-Oct-04	274	10.50	01-Sep-09	4,900	4.25
01-Dec-04	5,300	4.25	01-Oct-09	266	10.75
01-Dec-04	7,559	9.00	01-Mar-10	83	9.75
01-Mar-05	496	12.00	01-Jun-10	9,745	5.50
01-Jun-05	7,800	3.50	01-Jun-10	2,444	9.50
01-Sep-05	10,327	6.00	01-Oct-10	132	8.75
01-Sep-05	1,037	12.25	01-Mar-11	632	9.00
01-Dec-05	5,500	3.00	01-Jun-11	14,450	6.00
01-Dec-05	6,373	8.75	01-Jun-11	642	8.50
01-Mar-06	267	12.50	01-Jun-12	11,600	5.25
01-Jun-06	7,138	3.00	01-Jun-13	12,000	5.25
01-Sep-06	9,625	5.75	15-Mar-14	1,700	10.25
01-Oct-06	770	14.00	01-Jun-14	5,468	5.00
01-Dec-06	5,867	7.00	01-Jun-15	483	11.25
01-Mar-07	196	13.75	15-Mar-21	1,106	10.50
01-Jun-07	7,710	7.25	01-Jun-21	1,241	9.75
01-Sep-07	10,400	4.50	01-Jun-22	625	9.25
01-Oct-07	475	13.00	01-Jun-23	7,872	8.00
01-Mar-08	581	12.75	01-Jun-25	8,485	9.00
01-Jun-08	6,845	6.00	01-Jun-27	8,976	8.00
01-Jun-08	3,061	10.00	01-Jun-29	13,900	5.75
01-Sep-08	11,400	4.25	01-Jun-33	13,410	5.75
			Total	**258,397**	

Reference Table X *(cont'd)*

Outstanding Government of Canada Canadian-Dollar Marketable Bonds as at March 31, 2004

Maturity date	Amount	Coupon rate
	($ millions)	(%)
Real return bonds		
01-Dec-2021	5,175	4.25
01-Dec-2026	5,250	4.25
01-Dec-2031	5,800	4.00
01-Dec-2036	1,400	3.00
Total	**17,625**	

Source: Bank of Canada.

Reference Table XI

Government of Canada Swaps Outstanding as at March 31, 2004

Domestic interest-rate swaps

Maturity date	Coupon[1]	Notional amount
	(%)	($ millions)
Total		**0**

Foreign interest-rate swaps

Maturity date	Coupon[1]	Notional amount
	(%)	(US$ millions)
19-Nov-2007	4.00	25
05-Nov-2008	5.25	200
05-Nov-2008	5.25	500
05-Nov-2008	5.25	500
Total		**1,225**

Cross-currency swaps of foreign obligations

Maturity date	Notional amount
	(US$ millions)
26-Nov-2004	495
26-Nov-2004	341
30-Nov-2004	63
30-Nov-2004	25
22-Dec-2004	76
03-Oct-2007	319
31-Jan-2008	44
Total	**1,363**

[1] Refers to the coupon of the underlying bond that was swapped.

Reference Table XI *(cont'd)*
Government of Canada Swaps Outstanding as at March 31, 2004

Cross-currency swaps of domestic obligations			Cross-currency swaps of domestic obligations		
Maturity date	Notional amount	Currency paid	Maturity date	Notional amount	Currency paid
	(US$ millions)			(US$ millions)	
01-Jun-04	92.00	EUR	01-Sep-05	62.00	EUR
01-Jun-04	62.00	EUR	01-Sep-05	92.00	EUR
01-Jun-04	62.00	EUR	01-Sep-05	92.00	EUR
01-Jun-04	92.00	EUR	01-Sep-05	92.00	EUR
01-Jun-04	62.00	EUR	01-Sep-05	92.00	EUR
01-Jun-04	62.00	EUR	01-Sep-05	92.00	EUR
01-Jun-04	62.00	EUR	01-Sep-05	100.00	USD
01-Jun-04	62.00	EUR	23-Nov-05	150.00	USD
01-Jun-04	62.00	EUR	01-Dec-05	62.00	EUR
01-Jun-04	62.00	EUR	01-Dec-05	62.00	EUR
01-Jun-04	100.00	USD	01-Dec-05	62.00	EUR
01-Jun-04	50.00	USD	01-Dec-05	62.00	EUR
01-Jun-04	100.00	USD	01-Dec-05	62.00	EUR
01-Jun-04	50.00	USD	01-Dec-05	62.00	EUR
01-Jun-04	50.00	USD	01-Dec-05	92.00	EUR
01-Sep-04	62.00	EUR	01-Dec-05	62.00	EUR
01-Sep-04	69.00	EUR	01-Dec-05	62.00	EUR
01-Sep-04	62.00	EUR	01-Dec-05	62.00	EUR
01-Sep-04	62.00	EUR	01-Dec-05	62.00	EUR
01-Oct-04	62.00	EUR	01-Dec-05	62.00	EUR
01-Oct-04	50.00	USD	01-Dec-05	62.00	EUR
01-Oct-04	75.00	USD	01-Dec-05	62.00	EUR
01-Oct-04	111.00	USD	01-Dec-05	62.00	EUR
01-Oct-04	55.00	USD	01-Dec-05	62.00	EUR
23-Nov-04	100.00	USD	01-Dec-05	62.00	EUR
01-Dec-04	62.00	EUR	01-Dec-05	92.00	EUR
01-Dec-04	92.00	EUR	01-Dec-05	82.00	EUR
01-Mar-05	62.00	EUR	01-Dec-05	50.00	USD
01-Mar-05	250.00	USD	01-Dec-05	50.00	USD
01-Mar-05	65.00	USD	01-Dec-05	50.00	USD
01-Mar-05	250.00	USD	01-Dec-05	54.00	USD
01-Sep-05	62.00	EUR	01-Dec-05	500.00	USD
01-Sep-05	62.00	EUR	01-Mar-06	62.00	EUR
01-Sep-05	37.00	EUR	01-Mar-06	92.00	EUR
01-Sep-05	37.00	EUR	01-Mar-06	92.00	EUR

Reference Table XI *(cont'd)*
Government of Canada Swaps Outstanding as at March 31, 2004

Cross-currency swaps of domestic obligations		
Maturity date	**Notional amount**	**Currency paid**
	(US$ millions)	
01-Mar-06	92.00	EUR
01-Mar-06	62.00	EUR
01-Mar-06	62.00	EUR
01-Mar-06	50.00	USD
01-Mar-06	54.00	USD
01-Sep-06	62.00	EUR
01-Oct-06	62.00	EUR
01-Oct-06	50.00	USD
01-Oct-06	50.00	USD
30-Oct-06	250.00	USD
11-Nov-06	150.00	USD
01-Dec-06	62.00	EUR
01-Dec-06	62.00	EUR
01-Dec-06	92.00	EUR
01-Dec-06	92.00	EUR
01-Dec-06	55.00	USD
01-Mar-07	31.00	EUR
01-Jun-07	62.00	EUR
01-Jun-07	62.00	EUR
01-Jun-07	123.00	EUR
01-Jun-07	62.00	EUR
01-Jun-07	250.00	USD
01-Jun-07	250.00	USD
01-Jun-07	250.00	USD
01-Oct-07	62.00	EUR
01-Oct-07	62.00	EUR
01-Oct-07	62.00	EUR
01-Oct-07	31.00	EUR
01-Mar-08	92.00	EUR
01-Mar-08	62.00	EUR
01-Mar-08	75.00	USD
01-Mar-08	100.00	USD
01-Mar-08	50.00	USD
01-Mar-08	200.00	USD
01-Mar-08	50.00	USD

Cross-currency swaps of domestic obligations		
Maturity date	**Notional amount**	**Currency paid**
	(US$ millions)	
01-Mar-08	50.00	USD
01-Jun-08	62.00	EUR
01-Jun-08	62.00	EUR
01-Jun-08	62.00	EUR
01-Jun-08	62.00	EUR
01-Jun-08	250.00	USD
01-Jun-08	100.00	USD
01-Jun-08	100.00	USD
01-Jun-08	100.00	USD
01-Jun-08	50.00	USD
01-Jun-08	100.00	USD
01-Jun-08	50.00	USD
01-Jun-08	50.00	USD
30-Sep-08	50.00	USD
01-Oct-08	92.00	EUR
01-Oct-08	92.00	EUR
01-Oct-08	62.00	EUR
01-Oct-08	62.00	EUR
01-Oct-08	70.00	USD
01-Oct-08	70.00	USD
01-Oct-08	50.00	USD
01-Mar-09	92.00	EUR
01-Mar-09	62.00	EUR
01-Mar-09	70.00	USD
01-Mar-09	65.00	USD
01-Mar-09	50.00	USD
01-Mar-09	75.00	USD
01-Mar-09	50.00	USD
01-Mar-09	50.00	USD
01-Mar-09	100.00	USD
01-Mar-09	75.00	USD
01-Jun-09	62.00	EUR
01-Jun-09	92.00	EUR
01-Jun-09	62.00	EUR
01-Jun-09	92.00	EUR

Reference Table XI *(cont'd)*
Government of Canada Swaps Outstanding as at March 31, 2004

Cross-currency swaps of domestic obligations

Maturity date	Notional amount (US$ millions)	Currency paid
01-Jun-09	92.00	EUR
01-Jun-09	92.00	EUR
01-Jun-09	62.00	EUR
01-Jun-09	92.00	EUR
01-Jun-09	50.00	USD
01-Jun-09	70.00	USD
01-Jun-09	100.00	USD
01-Jun-09	50.00	USD
01-Jun-09	100.00	USD
01-Jun-09	70.00	USD
01-Jun-09	65.00	USD
01-Oct-09	123.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	92.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	62.00	EUR
01-Oct-09	92.00	EUR
01-Oct-09	81.00	USD
01-Oct-09	81.00	USD
01-Oct-09	70.00	USD
01-Oct-09	83.00	USD
01-Oct-09	75.00	USD
01-Mar-10	62.00	EUR
01-Mar-10	62.00	EUR

Cross-currency swaps of domestic obligations

Maturity date	Notional amount (US$ millions)	Currency paid
01-Mar-10	62.00	EUR
01-Mar-10	62.00	EUR
01-Mar-10	92.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	49.00	EUR
01-Jun-10	37.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	62.00	EUR
01-Jun-10	77.00	JPY
01-Oct-10	49.00	EUR
01-Oct-10	92.00	EUR
01-Oct-10	62.00	EUR
01-Oct-10	62.00	EUR
01-Oct-10	62.00	EUR
01-Oct-10	62.00	EUR
01-Oct-10	92.00	EUR
01-Oct-10	92.00	EUR
01-Oct-10	92.00	EUR
01-Oct-10	50.00	USD
01-Mar-11	75.00	USD

Reference Table XI *(cont'd)*
Government of Canada Swaps Outstanding as at March 31, 2004

Cross-currency swaps of domestic obligations			Cross-currency swaps of domestic obligations		
Maturity date	**Notional amount**	**Currency paid**	**Maturity date**	**Notional amount**	**Currency paid**
	(US$ millions)			(US$ millions)	
01-Mar-11	75.00	USD	01-Jun-11	50.00	USD
01-Mar-11	75.00	USD	01-Jun-11	50.00	USD
01-Mar-11	50.00	USD	01-Jun-12	62.00	EUR
01-Mar-11	50.00	USD	01-Jun-12	62.00	EUR
01-Jun-11	62.00	EUR	01-Jun-12	50.00	USD
01-Jun-11	62.00	EUR	01-Jun-12	50.00	USD
01-Jun-11	92.00	EUR	01-Jun-12	50.00	USD
01-Jun-11	75.00	USD	01-Jun-12	50.00	USD
01-Jun-11	50.00	USD	01-Jun-12	50.00	USD
01-Jun-11	50.00	USD	01-Jun-12	50.00	USD
01-Jun-11	50.00	USD	01-Jun-13	25.00	USD
01-Jun-11	50.00	USD	01-Jun-13	25.00	USD
01-Jun-11	50.00	USD	**Total**	**17,405.00**	

Note: Numbers may not add due to rounding.
Source: Department of Finance.

Reference Table XII
Bond Buyback Program—Operations in 2003–04

Buyback date	Maturity date	Coupon	Repurchased amount
		(%)	($ millions)
Buyback on cash basis			
May 7, 2003	March 1, 2011	9.00	30
	March 15, 2014	10.25	11
	March 15, 2021	10.50	53
	June 1, 2021	9.75	27
	June 1, 2022	9.25	34
	Total		**154**
May 28, 2003	June 1, 2007	7.25	80
	October 1, 2007	13.00	4
	June 1, 2008	6.00	381
	October 1, 2008	11.75	3
	March 1, 2009	11.50	7
	June 1, 2009	5.50	15
	October 1, 2009	10.75	10
	Total		**500**
June 11, 2003	March 1, 2005	12.00	1
	September 1, 2005	6.00	276
	September 1, 2005	12.25	4
	March 1, 2006	12.50	2
	December 1, 2006	7.00	392
	June 1, 2007	7.25	25
	Total		**700**
July 9, 2003	March 15, 2021	10.50	10
	June 1, 2021	9.75	114
	June 1, 2022	9.25	50
	June 1, 2023	8.00	44
	June 1, 2025	9.00	24
	June 1, 2027	8.00	60
	Total		**301**
August 6, 2003	March 15, 2014	10.25	38
	March 15, 2021	10.50	35
	June 1, 2021	9.75	8
	Total		**81**
August 27, 2003	June 1, 2007	7.25	228
	June 1, 2008	6.00	265
	October 1, 2008	11.75	7
	Total		**500**
September 17, 2003	December 1, 2006	7.00	112
	June 1, 2007	7.25	135
	Total		**247**
October 15, 2003	March 1, 2010	9.75	4
	June 1, 2010	5.50	200
	June 1, 2011	6.00	25
	June 1, 2011	8.50	3
	March 15, 2014	10.25	27
	June 1, 2015	11.25	27
	March 15, 2021	10.50	13
	June 1, 2021	9.75	65
	Total		**364**
November 26, 2003	June 1, 2008	6.00	162
	October 1, 2008	11.75	3
	March 1, 2009	11.50	1
	June 1, 2009	5.50	145
	June 1, 2009	11.00	22
	October 1, 2009	10.75	1
	June 1, 2010	5.50	250
	June 1, 2010	9.50	16
	Total		**600**

Reference Table XII *(cont'd)*
Bond Buyback Program—Operations in 2003–04

Buyback date	Maturity date	Coupon	Repurchased amount
		(%)	($ millions)
December 17, 2003	September 1, 2005	6.00	147
	September 1, 2006	5.75	150
	October 1, 2006		14.00
	June 1, 2007	7.25	50
	October 1, 2007	13.00	5
	June 1, 2008	6.00	50
	June 1, 2008	10.00	11
	Total		**414**
January 14, 2004	March 15, 2021	10.50	2
	June 1, 2021	9.75	1
	June 1, 2022	9.25	2
	June 1, 2023	8.00	25
	June 1, 2025	9.00	5
	June 1, 2027	8.00	70
	Total		**105**
February 4, 2004	March 1, 2011	9.00	2
	June 1, 2011	6.00	50
	March 15, 2014	10.25	31
	June 1, 2015	11.25	21
	June 1, 2021	9.75	239
	June 1, 2022	9.25	10
	Total		**354**
February 18, 2004	March 1, 2008	12.75	2
	June 1, 2008	6.00	25
	June 1, 2008	10.00	32
	March 1, 2009	11.50	3
	June 1, 2009	5.50	75
	June 1, 2009	11.00	6
	March 1, 2010	9.75	2
	June 1, 2010	5.50	10
	Total		**155**
March 10, 2004	March 1, 2006	12.50	8
	September 1, 2006	5.75	225
	March 1, 2007	13.75	1
	June 1, 2007	7.25	200
	March 1, 2008	12.75	4
	June 1, 2008	6.00	216
	June 1, 2008	10.00	43
	Total		**696**
	Grand Total		**5,170**
Buyback on switch basis			
April 9, 2003	March 15, 2021	10.50	2
	June 1, 2021	9.75	181
	June 1, 2022	9.25	71
	June 1, 2023	8.00	1
	June 1, 2025	9.00	31
	June 1, 2027	8.00	7
	Total		**293**
April 24, 2003	December 1, 2006	7.00	25
	March 1, 2007	13.75	8
	June 1, 2007	7.25	149
	March 1, 2008	12.75	8
	June 1, 2008	6.00	165
	June 1, 2008	10.00	7
	March 1, 2009	11.50	36
	October 1, 2009	10.75	12
	Total		**410**
May 14, 2003	September 1, 2005	6.00	120
	September 1, 2005	12.25	24
	December 1, 2005	8.75	175
	Total		**319**

Reference Table XII *(cont'd)*
Bond Buyback Program—Operations in 2003–04

Buyback date	Maturity date	Coupon	Repurchased amount
		(%)	($ millions)
June 19, 2003	March 1, 2011	9.00	14
	March 15, 2014	10.25	148
	June 1, 2015	11.25	256
	Total		**418**
July 16, 2003	December 1, 2006	7.00	125
	June 1, 2007	7.25	50
	June 1, 2008	6.00	265
	October 1, 2009	10.75	1
	Total		**441**
July 30, 2003	December 1, 2006	7.00	75
	June 1, 2007	7.25	110
	Total		**185**
August 20, 2003	March 15, 2021	10.50	75
	June 1, 2021	9.75	28
	June 1, 2022	9.25	25
	June 1, 2023	8.00	113
	June 1, 2025	9.00	58
	Total		**299**
September 25, 2003	June 1, 2010	5.50	100
	June 1, 2010	9.50	12
	March 1, 2011	9.00	6
	March 15, 2014	10.25	153
	June 1, 2015	11.25	166
	June 1, 2022	9.25	27
	Total		**464**
October 8, 2003	June 1, 2007	7.25	65
	March 1, 2008	12.75	30
	June 1, 2008	6.00	237
	June 1, 2008	10.00	4
	March 1, 2009	11.50	50
	October 1, 2009	10.75	6
	Total		**392**
November 5, 2003	March 15, 2021	10.50	6
	June 1, 2021	9.75	31
	June 1, 2022	9.25	27
	June 1, 2025	9.00	135
	Total		**199**
December 10, 2003	June 1, 2011	6.00	450
	June 1, 2011	8.50	20
	June 1, 2015	11.25	12
	June 1, 2021	9.75	4
	June 1, 2022	9.25	2
	Total		**488**
January 21, 2004	June 1, 2007	7.25	4
	June 1, 2008	6.00	419
	June 1, 2008	10.00	50
	Total		**473**
February 11, 2004	September 1, 2005	6.00	50
	June 1, 2008	10.00	50
	Total		**100**
February 25, 2004	June 1, 2021	9.75	64
	June 1, 2022	9.25	15
	June 1, 2027	8.00	210
	Total		**289**
March 17, 2004	June 1, 2010	5.50	25
	June 1, 2011	6.00	25
	June 1, 2011	8.50	4
	March 15, 2014	10.25	10
	March 15, 2021	10.50	70
	June 1, 2021	9.75	77
	June 1, 2022	9.25	11
	Total		**221**
	Grand Total		**4,993**

Reference Table XII *(cont'd)*
Bond Buyback Program—Operations in 2003–04

Buyback date	Maturity date	Coupon	Repurchased amount
		(%)	($ millions)
Cash management bond buyback			
April 8, 2003	June 1, 2003	7.25	450
	September 1, 2003	5.25	100
	Total		**550**
April 22, 2003	June 1, 2003	7.25	69
	September 1, 2003	5.25	100
	December 1, 2003	5.00	101
	December 1, 2003	7.50	230
	Total		**500**
May 6, 2003	June 1, 2003	5.75	9
	June 1, 2003	7.25	3
	December 1, 2003	5.00	457
	December 1, 2003	7.50	31
	Total		**500**
June 3, 2003	December 1, 2003	5.00	300
	June 1, 2004	3.50	136
	June 1, 2004	6.50	64
	Total		**500**
June 17, 2003	December 1, 2003	5.00	500
	Total		**500**
July 2, 2003	December 1, 2003	5.00	1,000
	Total		**1,000**
July 15, 2003	September 1, 2003	5.25	450
	December 1, 2003	5.00	475
	June 1, 2004	3.50	50
	June 1, 2004	6.50	25
	Total		**1,000**
July 29, 2003	December 1, 2003	5.00	1,000
	Total		**1,000**
August 12, 2003	September 1, 2003	5.25	100
	December 1, 2003	5.00	900
	Total		**1,000**
September 9, 2003	December 1, 2003	5.00	210
	December 1, 2003	7.50	35
	June 1, 2004	3.50	150
	Total		**395**
September 23, 2003	December 1, 2003	5.00	205
	December 1, 2003	7.50	215
	Total		**420**
October 7, 2003	December 1, 2003	5.00	50
	Total		**50**
October 21, 2003	June 1, 2004	3.50	550
	September 1, 2004	5.00	450
	Total		**1,000**
November 4, 2003	December 1, 2003	5.00	315
	December 1, 2003	7.50	105
	June 1, 2004	3.50	15
	June 1, 2004	6.50	24
	Total		**459**
December 2, 2003	June 1, 2004	3.50	500
	September 1, 2004	5.00	350
	December 1, 2004	9.00	80
	Total		**930**

Reference Table XII *(cont'd)*
Bond Buyback Program—Operations in 2003–04

Buyback date	Maturity date	Coupon	Repurchased amount
		(%)	($ millions)
December 16, 2003	June 1, 2004	3.50	1,000
	Total		**1,000**
January 13, 2004	June 1, 2004	3.50	200
	Total		**200**
January 27, 2004	June 1, 2004	3.50	1,198
	June 1, 2004	6.50	2
	Total		**1,200**
February 10, 2004	June 1, 2004	3.50	937
	June 1, 2004	6.50	14
	September 1, 2004	5.00	163
	December 1, 2004	9.00	22
	Total		**1,136**
February 24, 2004	June 1, 2004	3.50	12
	September 1, 2004	5.00	228
	December 1, 2004	4.25	700
	December 1, 2004	9.00	39
	Total		**979**
March 9, 2004	June 1, 2004	3.50	50
	September 1, 2004	5.00	300
	December 1, 2004	4.25	500
	Total		**850**
March 23, 2004	June 1, 2004	3.50	500
	Total		**500**
	Grand Total		**15,669**

Source: Department of Finance.

Reference Table XIII

Canada Savings Bonds and Canada Premium Bonds, Fiscal 1983–84 to Fiscal 2003–04

Fiscal year	Gross sales	Net change	Outstanding at fiscal year end
		($ millions)	
1983–84	11,584	5,650	38,403
1984–85	12,743	3,764	42,167
1985–86	15,107	2,440	44,607
1986–87	9,191	-22	44,585
1987–88	17,450	8,921	53,506
1988–89	14,962	-5,456	48,050
1989–90	9,338	-6,813	41,237
1990–91	6,720	-6,500	34,737
1991–92	9,588	1,151	35,888
1992–93	9,235	-1,172	34,716
1993–94	5,364	-3,089	31,627
1994–95	7,506	-96	31,531
1995–96	4,612	10	31,541
1996–97	5,747	2,050	33,591
1997–98	4,951	-2,796	30,795
1998–99	4,844	-2,187	28,608
1999–00	2,669	-1,510	27,098
2000–01	3,188	-531	26,567
2001–02	2,728	-2,283	24,284
2002–03	3,523	-1,406	22,878
2003–04	2,881	-1,350	21,528

Note: Figures are in accordance with Bank of Canada audited reports, which may vary from Public Accounts reports due to differences in classification.

Source: Bank of Canada.

Reference Table XIV

Crown Corporation Borrowings as at March 31, 2004

Borrowings from the market Corporation	1997	1998	1999	2000	2001	2002	2003	2004
				($ millions)				
Export Development Canada	7,820	10,077	12,967	16,888	18,406	20,481	20,375	17,178
Canadian Wheat Board[1]	6,474	6,698	6,786	542	425	397	378	12
Business Development Bank of Canada	3,371	3,839	4,223	4,723	5,102	5,726	6,263	7,302
Farm Credit Canada	1,926	3,026	4,317	5,083	5,695	7,096	8,082	9,209
Canada Mortagage and Housing Corporation	7,866	9,934	10,633	10,801	11,672	11,372	11,091	10,441
Petro-Canada Ltd.	432	443	471	338	0	0	0	0
Canada Ports Corporation	0	3	79	69	0	0	0	0
Canada Post Corporation	n/a	n/a	n/a	150	56	63	114	108
Other	226	258	222	46	44	40	39	45
Total	28,115	34,278	39,698	38,640	41,400	45,175	46,342	44,295

[1] Effective December 31, 1998, the Canadian Wheat Board (CWB) ceased to be an agent of Her Majesty and a Crown corporation under the Financial Administration Act. Borrowings subsequent to this date at March 31, 2004, as a non-agent are $6,140 million. Therefore, total borrowings of the CWB are $6,152 million ($12 million + $6,140 million).

Borrowings from the Consolidated Revenue Fund	1997	1998	1999	2000	2001	2002	2003	2004
				($ millions)				
Canada Mortagage and Housing Corporation	6,938	6,708	6,298	6,152	5,852	5,696	5,476	5,255
Canada Deposit Insurance Corporation	855	395	0	0	0	0	0	0
Farm Credit Canada	2,507	1,877	1,041	805	578	0	0	0
Other	204	179	551	77	84	104	38	62
Total	10,504	9,159	7,890	7,034	6,514	5,800	5,514	5,317

Note: Figures do not include "allowance for valuation."

Source: Bank of Canada.